WHAT IS THE RELATIONSHIP BETWEEN BRAND LOYALTY
AND COUNTERFEITING OF BRANDS?
A CASE OF KARIAKOO TRADING CENTRE

By
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A dissertation Submitted in Partial/Fulfillment of the Requirements for
the Degree of Master of Science in Marketing (Msc-Mkt) of Mzumbe University

2013
CERTIFICATION

We, the undersigned, certify that we have read and hereby recommend for acceptance by the Mzumbe university, a Dissertation entitled: “what is the relationship between brand loyalty and brand counterfeiting in Tanzania: a case of Kariakoo trading centre?” in partial fulfillment of the requirements for the Award of the Degree in Masters of Science in Marketing of Mzumbe University.

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Accepted for the board of MUDCC

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I, Sostenes August Mtenga, declare that this is my own original work and that it has not been presented and will not be presented to any other university for similar or any other degree award.

Signature……………………………

Date ……………………………

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Lastly is my family for supporting me all the time I fell like being demoralized. Their supports have made me to overcome all the hurdles on the process of this study, and my course work in general.
DEDICATION

I would like to dedicate this work to my late father Mr. August Mtenga. You have been a good father to us even though you left us when we were still young. GOD is great as he is right for any action he may take.
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<thead>
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<th>Abbreviation</th>
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<td>ARVS</td>
<td>Antivirus</td>
</tr>
<tr>
<td>BBC</td>
<td>British Broadcasting Corporation</td>
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<tr>
<td>CBP</td>
<td>Customer Border Protection</td>
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<tr>
<td>CD-ROM</td>
<td>Compact Disc Read Only Memory</td>
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<td>DVD</td>
<td>Digital Video Disc</td>
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<td>EU</td>
<td>European Union</td>
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<td>FCC</td>
<td>Fair Competition Commission</td>
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<td>International Ant-Counterfeiting Coalition</td>
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<td>ICE</td>
<td>Immigration and Customer Enforcement</td>
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<td>IIPPI</td>
<td>International Intellectual Property Institute</td>
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<td>INTERPOL</td>
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<td>IPR</td>
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<td>Organization for Economic Corporation and Development</td>
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<td>SPSS</td>
<td>Statistical Package for Social Science</td>
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<td>TFDA</td>
<td>Tanzania Food and Drugs Authority</td>
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ABSTRACT

Counterfeiting is a challenge that facing manufacturing industries globally. Many factors have been mentioned as the factors which influence counterfeiting. In this research the researcher has tried to look the aspect of consumer brands loyalty and its effect to counterfeiting of brands. The researcher looksthe literatures concern brand concepts, brand loyalty, and counterfeiting globally and locally. The main study was conducted at Kariakoo trading centre. In addition documented materials were used to obtain more evidence of counterfeiting situation in Tanzania. The findings show that there was strong relationship between brands loyalty and counterfeiting of brands. Finally the researcher gives some recommendations and proposes the further studies.
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CHAPTER ONE
INTRODUCTION OR PROBLEM SETTING

1.0 Introduction and background to the study

In the present environment brands have became part of our lives’ needs and wants. In this highly competitive business era profit is diminishing and some of business is closing. For many companies to survive they inject more money in research and development in order to maintain their marketing positions. However some of the illegal business practices have emerged. Counterfeiting is one of the illegal businesses that are challenging the whole world of business arena. (Aryanto, 2003; Chaudhry & Walsh, 1996; Chow, 2000; Eisend, & Guler, 2006; Lan et al, 2012; Yoo & Lee, 2011)

The problem of counterfeiting is a global problem, which affecting brand owners and consumers. Counterfeiting is a form of consumer fraud; (Chaudhry& Walsh, 1996; Cordell, Wongtada&Kieschnick, 1996; Lai & Zaichkowsky, 1999; Kapferer, 2008; Kay, 1990). A product is sold, purporting to be something that is not. According to definition by (Chow, 2000; 9) , “ counterfeiting refers to the unauthorized act by one party of producing and passing off exact duplicates of authentic products with trade marks owned by another part”. Counterfeiting is illegal businesses which value billions of money annually. For instance in USA, counterfeiting business is estimated to be about $200 billion annually, (Chaudhry et al, 2005). In United Kingdom 12% of consumers have bought fake brands or look alike products, (Ledbury, 2006). According to International Ant-Counterfeiting Coalition (IACC, 2005) website, in fiscal year 2011 counterfeit goods worth $200 million were seized by US customer and boarder protection (CBP) and Immigration and customer enforcement (ICE).

Aryanto,(2003), has mentioned the leading countries that counterfeit products come from; China, Hong Kong, South Korea, Singapore, Taiwan, Indonesia, Thailand and Malaysia. Counterfeit products ranges from wearing apparel, consumer electronics and media (e.g. motion pictures on laser disc, DVD, interactive and computer software on CD-ROM, CD-R, floppy disc, tape, cellular phones, radio, power strip, lights, lamps, electronic tools and...
appliance etc), cigarettes, watches and parts, handbags, wallets, sunglasses, backpacks, toys, electronic games, and pharmaceutical products.

Starting the second half of twenty century many companies from west have moved their production operations in the eastern countries like China, Hong Kong, South Korea, Singapore, Taiwan, Indonesia, Thailand and Malaysia, (Hill, 2004). Due to reputation that western companies have, their brands became most demanded in the rest of the world. The main factors for shift to the east are cheap labor and low taxes, and less resistance from activists like environmentalists. These companies experienced high profit as they manage to save high labor cost. In contrary the technology and design of their product became easy to be copied by the illegal manufacturers in those countries. (Chow, 2000). Another factor that has facilitated the counterfeiting activities is the globalization of trade and business activities like banking. Consumers are a said to assist counterfeiting activities by purchasing counterfeited brands. (de Matos, et al, 2007; Kafchinski, 2009; Kim & Karpova, 2010).

Some studies like Chow, (2000) and Kafchinski, (2009) have mentioned the illegal groups that associated with counterfeiting activities. In china for example triad groups like 14K, Wo Shingwo operates illegal business like human traffiking, drugs and counterfeiting. counterfeiting business ranges from consumer electronics, apparel to deadly counterfeit drugs.(Kafchinski, 2009). According to the report published by the International Antcounterfeiting Coalition, (IACC, 2005) Al Qaeda terrorist group was linked with counterfeiting activities.

Counterfeiting business imposes big problems like healthy, economic and safety. According to Organization for Economic Co-operation and Development (OECD), counterfeiting and pirated goods growth steadily from year 2000 to 2007, and reached up to $ 250 billion therefore it imposes a great costs.
Figure 1.1: The evolution of trade in counterfeit and pirated products

IACC have mentioned the problems of counterfeiting like the loss of 750,000 jobs in United States annually, funding of drugs, terrorists activities and forced labor. The counterfeited products in USA have imposed a treat in an extent that the companies a closing the plants and cut jobs. The online business has facilitated counterfeit products. in the New York Times of July 1st 2008, the was a published article that the French luxury company sued eBay company for selling luxury brands like Louis Vuitton bags, and Dior perfumes which were fakes.

In Tanzania the highly demanded brands start from electronic consumers, apparel, pharmaceuticals, watches pirated music; moviesand computer software are highly counterfeited. The alleged dealers of counterfeiting are Chinese who now have became among the big traders. In Kariakoo marketing centre you may get every brand. For example in apparel brands like Nike, Manchester united, Chelsea, Arsenal, Adidas, Gucci, and Louis Vuitton bags are sold at lower prices compared to original brand prices. As mention by (Eisend & Guler, 2006), that fake brands have low prices compared to genuine brands. But Chang, (2004) has oppose the notion of lower prices as he stated that now days even the pirated products are sold at same prices as original. Also the qualities of those brands sometimes are very low. Electronic consumers like cell phones brands like Nokia, I phone, Sam sung, blackberry are sold on hands by the marching guys. There some cases of counterfeiting being seized by the FairCompetition Commission (FCC). To show
the availability of counterfeit products in Tanzania, in January 2010 FCC destroyed counterfeit goods worth Tshs 74 million.

![Table 1.1: The seized fake goods by FCC in January 2010](image)

Tanzania food and drugs authority TFDA discovered fake ARVs drugs in the circulation as it were reported in the Citizen News paper on 25/09/2012, Daily news 31/10/2012 and BBC news 11/10/2012. This shows that there are some measures that have been taken to combat the problem of counterfeiting, however the problem still increasing in daily basis.

As the problem of counterfeiting concern with the infringement of brands then we must review the brand theory. Brand is described as a name, logo, character, symbol or trademark that distinguish product from one manufacturer to another, (Copeland, 1923; Kotler & Keller, 2006). Brand can be distinguished in a two perspectives. The first is the supply and another is the demand side. In demand side brand is taken as psychological phenomenon, (de Chernatony & McWilliams, 1989; Clifton & Simmons et al, 2003). Branding is the creation of mental structures that will help consumers to organize their knowledge towards product or service, (Lau & Lee, 1999; Kapferer, 2008). Consumers in Tanzania shows much love in brands especially the western countries’ brands. For example apparel brands like Nike, Adidas, Gucci, Tommy, and van Hussein to mention a few have highly demand. As a matter of fact these brands have been counterfeited by the illegal manufacturer to gain invariably profits.
Brand equity is a value added endowed to a product or service that reflect consumers’ thought, feeling, and act towards brand, (Kotler& Keller, 2006; Hoeffler& Keller, 2003). Brand equity is the aggregate of name, brand associations and brand loyalty, (Hoeffler& Keller, 2002), Clifton & Simmons et al, 2003: Kotler& Keller, 2006). Brand equity can be measured to determine its strength. Some models have been developed to explain brand equity theory on how it determined, (Ailawadi, Lehmann &Neislin, 2003; Dayson, Farr & Hollis, 1996; Wood, 2000); Aaker, 1996).

Brand loyalty has defined as desire to retain a valuable important relationship, (Morgan & Hunt, 1994). When there is a positive relationship with brand or brands then consumer will develop attitude and behavioral characteristics that will lead to brand loyalty.

The aim of this study is to investigate the relationship that exist between brand loyalty and counterfeiting of brands, because in normal circumstances if there were no brands then it will be no counterfeiting. This study will base on primary and secondary data, in literature the study will be reviewing the empirical studies that have been developed about counterfeit, brand and branding theory.

1.2 Statement of the problem

In this modern world brands have became an important aspect in human beings activities start from what we eat, what we wearing to what we use for different actions. Being brands as the important aspect of life then is the main concern that counterfeiting of brands has huge impact on daily activities of human lives. Counterfeiting is challenging the authorities, brands owners as well as the consumers.

Researchers have been provide different theories concerning counterfeiting and brands, like importance of brands, (Clifton et al, 2003; Kotler& Keller, 2006; Copeland, 1923; Kotler, 1988; Grewal& Levy, 2010)brands history, (Clifton et al, 2003), the consumers behavior towards brands, (Keller, 2003; Clifton et al, 2003; Kotler&Pfoertsch, 2006). Nevertheless brand equity and brand loyalty have been discussed, (Kotler& Keller 2006; Hoeffler, & Keller, 2003; Kotler&Pfoertsch, 2006; Dyson, Farr & Hollis, 1996; Pitta &Katsanis, 1995) counterfeiting and counterfeits also they have discussed by researchers.

Being discussed on counterfeiting and brands, then this research want to investigate the relationship that exist between counterfeiting and brands, because the infringement of brands is what called counterfeiting, hence without brands it would be no such a word counterfeiting.

This challenge of counterfeiting has to be concern because now is costing economy, lives and safety of consumers. The governments are losing revenues, people are losing jobs, and the innovation motives have been decline. In additional the security is on stakes because counterfeiting has been financing terrorist and gang groups worldwide.

Tanzania is facing the same challenges on counterfeiting of products. The globalization of trade has open doors for traders to trade in Tanzania. Among the traders there some who practice the counterfeiting activities. The consumers in Tanzania have the same characteristics like the rest of the world, they are brands lovers and loyal. This is the advantage that is taken by the manufacturers of counterfeit brands
1.3 Research question

What is the relationship between brand loyalty and counterfeiting in Tanzania?

Specific research questions;

1. Why do consumer purchase counterfeited products?

2. What do consumer consider when they purchase products, is it a price, quality, style or a brand name?

1.4 Objective of the research

The objective of this study is to study whether the consumer loyalty to brands influence the counterfeiting of brands. Specific objectives are;
1. To examine how brand loyalty influences the manufacturing of counterfeit products
2. To investigate whether brands influence consumer purchasing decision.
3. To investigate the counterfeiting sources and its impact in Tanzania consumers.

1.5 Significance of the research

Findings from this study may be part of contributions towards fighting against counterfeiting in Tanzania, as counterfeiting is threaten the economy, health and safety of consumers then it would better to combat counterfeiting activities. In addition, this study may increase consumer’s awareness towards counterfeit products. If consumers are educated and refuse to purchase counterfeit products then manufacturers will stop the productions as no buyers of counterfeited brands.

In matter of policy makers and authorities, this study will sparks some ideas on how consumers are contributing on counterfeiting activities, hence may look other way of formulating some laws to consumers of counterfeiting. Also governments institutions and non governments institutions may look some ways to educate citizens concerning purchasing of counterfeited brands.

Lastly are the economists, the study will be useful to them as they have to look some ways on how the economy of the country is affected by counterfeits products.

1.6 Scope

Due to time and financial constraints, then this research was not conducted in the whole parts of the country.

1.7 Limitations

In addition, the some of the respondents were reluctant to respond to the questionnaires hence it take time and money to make repetition of doing it.
1.8 **Organization of the study**

Chapter 1 has presented the introduction to the study of counterfeiting and consumer brand loyalty, the study beginning with the background information to the problem under investigation, and then followed by statement of the problem, research questions, and significance of the study and organization of the study.

Chapter 2 will concern the comprehensive review of the empirical studies related to the brand and counterfeiting. At first the brand and branding literatures is critical reviewed followed by brand equity and brand loyalty. Addition to that counterfeiting and situation in Tanzania markets is reviewed.

In chapter 3 methodology and procedure that will be used to gather data for the study is presented. The chapter will begin with the restate of the research problem statement, research questions, population and sample, research instruments and tools to be used, data collection process and analysis.
CHAPTER TWO
LITERATURE REVIEW

2.0 Introduction

The aim of this chapter is to review literatures that relate to the concept of brands, brands loyalty and counterfeiting. The organization of this chapter will be as follows; brand and branding concepts will be presented first, consumer loyalty, counterfeiting and the discussion on counterfeiting problem globally and Tanzania in particular. Lastly the discussion on consumer brands loyalty and its influence on counterfeiting.

2.1 Brand and branding

By definition brand is a name, logo, symbols characters slogans or jingles that define the product or service, (Copeland, 1923; Kotler, 1988; Grewal& Levy, 2010). The American marketing committee, (1960, as cited in De Chernatony& McWilliams, 1989) defined brand as ‘term symbol or design, or a combination of them that is intended to identify the goods or services of seller or group of seller and to differentiate them from those of competitors’ p8’.

Brands have been existing for centuries, among the first users of brands where the potters and livestock keepers who either branded their clay products or mark their animals in order to differentiate from others (Clifton et al, 2003; Kotler& Keller, 2006). Clifton et al, (2003), postulated that the word ‘brand’ has derived from Old Norse word ‘brandr’ which means ‘to burn’ and this word was used in Mediterranean region mostly in marking cattle. The way of branding included use of logo like star fish and cross, (Clifton et al, 2003; Maurya& Mishra, 2012). Brand is the human life phenomenon that cannot be avoided in daily life, (Maurya & Mishra, 2012)

Many brand definition have been developed, but brand concept can be based on management based or consumer based, (McEnally& de Chernatony, 1999). In additional brand can be defined based on tangible and intangible, (Chernatony& Riley, 1998). In this study the definition of brand will based on the models of brands the work of,
(Chernatony & Riley, 1998) as in figure 3. In figure 3 the author have analyze the most literatures that try to explain the definitions of brand and the models which based most in tangible and intangible definitions.

2.2 The tangibility and visual elements of brand


Figure 2.1: brand symbols

Source: webindia 2013

2.3 The intangibility elements of brand


Table 2.1: Models of the elements constituting brands
However brand concepts have been developed in different models (Kapferer, 2008) like the stages of brand models, (McEnally & de Chernatony, 1999)

The different perspectives of brand argue that brand is not just identification of products or services, but brand is the process that consumers, stakeholders and general society are involved, (Keller, 2003; Hoeflner & Keller, 2003; de Chernatony, 2001). Thus brand is visual and cognitive concept, brand has to be created in the minds of other stakeholder hence define how the strong brand is. Brand boost awareness, loyalty, price premium, and other associations, (Keller, 2003; Clifton et al, 2003; Kotler & Pfoertsch, 2006) identify that brand has more broad definition, brand as products, service, corporate, social entities, and person. King, (1985); De Chernatony & McWilliams, (1989) added, brand is what consumer perceived. Brand seems to have two main elements, one is cognitive and visual element or physical and psychological elements. When the manufacturer is dealing with
the brand is more concentrating on visual elements like naming, symbolizing, marking and styling. In contrary consumer are more emotional toward the brand, (Chernatony&Dall’Omlo, 1998) in the ‘atomic model’. Also brand has two side of the coin, supply and demand, by which brand promise to offer the consumers and consumers perceive to derived benefits from the brand, (Keller, & Lehmann, 2006). Keller, (1998), Kapferer, (2008), declared that there is a set of rational links between consumers’ intelligence and brand which add value. This means that brand has more cognitive constitutes than visual elements. Brand is aspect of life as it comprises economical, social and political values, (Clifton, et al, 2003).

2.4 Branding concept

Branding is the process that involves the brand being endowed to products, services, or corporate. Is branding that start to make relationship between brand and consumers, hence it must be taken cautiously and in deep analysis. Although branding can simply seems as just naming a products, services, or company, but in real sense is the process that need an commitment of time and resources at high level, (Kapferer, 2008). In the process of branding management must be sure that they will build a positive image to the consumer, society and other stakeholders, (Fan, 2005). By using brand elements then branding process is taking chance to identify product or service. A product will start to be valued after being branded and consumer’s mental start to evaluate the product or services, (Grewal& Levy, 2010).

2.4.1 Brand equity

Brand equity is the value created to the brand, or is a value that products have, (Kotler& Keller 2006; Hoeffler, & Keller, 2003). The value of brand is those elements, style, or characters that fulfill the utility of consumers. Consumers have power over brand and consumers’ perceptions are the most determinant of brand equity, (Kotler& Keller, 2006). Components of brand equity are ‘brand awareness’, ‘brand associations’ and ‘brand loyalty’, (Kotler&Pfoertsch, 2006). There is no wide disagreement on defining brand
equity, but there are arguments on how the equity is measured and created, (Dyson, Farr & Hollis, 1996). Pitta &Katsanis, (1995), has comments that brand involves all process of marketing a product or services; hence brand equity is the marketing mix. Brand equity is the power that makes a brand ahead of competitors. Traditionally there are two approaches of measuring brand equity, the accounting and consumer approaches, (Wood, 2000). Consumer based is the study that many scholars have comments as the way of measuring brand equity, (Keller, 1993; Dayson, Farr & Hollis, 1996; Wood, 2000). Consumer based theory of determine brand equity has been supported by the scholars like, (Hoeffler& Keller, 2003; Kotler& Keller, 2006; Wood, 2000; Keller & Lehmann, 2001) has mention three brand equity measures, ‘the consumer mind set’, ‘products market’, ‘financial market’.

2.4.2 Consumer brand loyalty
Loyalty can be taken as a tendency of being biased to an object or subject among alternatives available in rational or emotional way; hence this can be applied to brand loyalty,(Sheith & Park,1974).When there is positive and valuable relation between brands and consumers then there is a trust, the trust that consumers have can lead to loyalty to brands. Till recently the main literatures that define brand loyalty are behavioral, attitudinal and combine (attitudinal and behavioral). The early studies stress on outcome rather than causes. Terms like ‘share of total purchases, functional of frequency buying or probability of repeat purchase,’ were used to explain behavioral approaches, (Kuusik, 2007). The behaviorists like, (Cunningham, 1956; Farley, 1964, &McConnell, 1968), were criticized for been bias on outcomes. Day, (1969, (as cited in Kuusik, 2007) proposed that brand loyalty should not be only behavioral outcome but attitudinal. The most brand definition that has covered brand loyalty theory was that of Jacoby and Chestnut study, (1978, as cited in Mellens, Dekimpe, &Steenkamp, 1995).it defined that ‘the biased, behavioral response, expressed over time, by some decision making unity, with respect to one or more alternative brands out of set of such brands, and is a function of psychological decision – making evaluative processes’ Pg.80. The recently scholars have define brand loyalty in broad definition that contain, psychological and functional approaches. (Chaudhry, 1995; Mellens et al, 1995; Oliver, 1999; Lau & Lee 1999;
2.4.3 Factors for consumer loyalty
Obviously you must wonder why consumer is loyal to brand or set of brands despite of being other brands that satisfy the same utility. Studies like Oliver, (1999), nominate that consumer are loyal because of, ‘satisfaction, attitude and social factors.’ Although there have been many arguments about what make consumer be loyal to brands, Oliver has tried to mention. Consumer can be loyal due to benefits that have been derived from the products or service, (Suh& Yi, 2006). Being satisfied means that consumer is get exactly or more than what has been promised by brand or brands hence became confident over the brand. Olbrich&Windbergs, (2006) comment that consumer can be loyal to brand as result of ‘forced loyalty, inertia and functionality’. In situation where brand is a monopoly then loyalty can be forced. Consumers who are slow to change also can be subjected to loyalty. For those who are rational about the brand can be loyal due to benefits that they get from the brand economically and socially.

2.5 Counterfeit and counterfeiting
Counterfeit is a significant and fast growing problem in less and developed countries. In the study by Chaudhry et al (2005), USA is suffering more than $200 billion per year. Globally more than five percent of products are counterfeits according to (IACC, 2005; IIPI, 2003). To justify the extent of counterfeit in USA, the statistics from Intellectual Property Rights (IPR, 2011), volume of commodities seized by CBP and ICE were 24,792 in 2011.

2.5.1 Counterfeit defined
Studies like (Grossman & Shapiro, 1986; Kapferer, 1995; Chaudhry& Walsh 1996; Cordell et al, 1996; Kay, 1990); comments that counterfeit goods are goods that are identical or copies of authentic products which are alike in terms of packaging, trademarks and labeling as the genuine products. Also counterfeit in most cases sold at lower prices
compared to genuine products, (Eisend & Guler, 2006). In the side of law, counterfeiting is defined as ‘counterfeit refers to the unauthorized act by one party of producing and passing off exact duplicates of authentic products with trademarks owned by another part’. (Chow, 2000: 9)

2.5.2 Sources of counterfeits

According to (IPR, CBP and ICE, 2011), the main suppliers of counterfeit products were China mainland, Hong Kong, Thailand, South Korea and Taiwan. China was leading by 62%, next was Hong Kong by 18%. Most of the counterfeit products were consumer electronics 22%, footwear 14%, pharmaceuticals 9%, optical media 9%, wearing apparel 8%, perfume cologne 5%, and others were 33%. This was just for those products which seized by the authority. Aryanto, (2003), has mentioned most of counterfeits come from Far East countries.

But why China is leading as source of counterfeit goods? Chow (2000) has enumerates some of the main factors that contributes to the flourish of counterfeit goods in China as follows; ‘local protectionism; bureaucratic rivalries; criminal prosecution; police involvement and support; penalties, fines and compensation’. In addition Chow, reported there was no clear definition of counterfeit in Chinese law by the year 200, and this signifies how the authority was taking a problem.

2.5.3 Counterfeit the effects ‘positive or negative?’

IACC mentioned some effects of counterfeiting as child labor, force labor, tax aversion, safety and health risk, funding for organized crimes and terrorist activities. Although effects of counterfeiting are not a universal, many arguments have been the loss of revenues by governments, brand owners and marketing channels, (Bamossy, G & Scammon, D, 1985). Counterfeit is claimed to facilitate terrorist groups and gangs like Al Qaeda, Sun Yee and 14K, (Kafchinski, 2009). Due to counterfeiting many brands have lost reputations from their consumers. In the study by Chow (2000), postulated some of benefits that obtained from counterfeiting by examining China. Chow mentioned that, the
government of China and local communities benefit from counterfeit trade. In his paper “Counterfeiting in people republic Of China (2000),” he investigates the Yiwu trading centre which is the source of counterfeits in China. Chow, comments that counterfeiting activities were used as the source of employment, revenues, and booster of other economic activities like hotels and restaurants, trucking and transportation. Yoo& Lee, (2005) argued that counterfeit may be source of promotion to the genuine brands. We can have different perspectives towards counterfeiting. However, counterfeiting is the activity with negative effects, although for those who manufacturing them seems to get benefits.

2.5.4 Counterfeiting in Tanzania

Most of manufactured products are imported from abroad, mainly comes Far East countries like China mainland, Hong Kong, Taiwan, Thailand, Singapore, and South Korea, Middle East countries, like Dubai and India. According to European Union (EU) report of trading partners in 2012, the leading country exporting to Tanzania in terms of value and volume is China. The situation of counterfeiting in Tanzania is like other third world countries, there is high level of counterfeit in Tanzania. Counterfeit categories range from, cell phones, computer memory chips, automobile parts, motorcycles, music, movies, computer software, liquor, tea, pharmaceuticals, apparels, accessories and many more. The most famous trading centre for these counterfeit goods is Kariakoo in Dar es Salaam. The area is very congested with traders of different ethnics, from Indians origins to Chinese, from Central, East and South Africans to local Tanzanians. In some case counterfeits are manufactured in Tanzania, hence not all are imported. To mentions some of them are tea, salt, coffee, and drugs like Antivirus drugs (ARVs).

2.5.5 Review of counterfeiting in Tanzania

There no wide studies of counterfeit in Tanzania. Lusanja, (2009) has conducted research on assessment of role of Fair Competition Commission (FCC), on importation of counterfeit products. The incidences of counterfeit goods have been reported in some media (Lusanja, 2009). To support this argument, INTERPOL in 2009 conducted operation mamba in Tanzania and Uganda to combat counterfeit. In Tanzania most of the
counterfeit were seized and destroyed. In the world trade review, (2009) Tanzania was mentioned as a main importer of counterfeit goods. For instance, the availability of fake ARVs which were discovered by Tanzania Food and Drugs Authority (TFDA) in 2012, (the citizen 25/09/2012; Daily News 31/10/2012; BBC news 11/10/2012)

2.5.6 Consumers awareness on counterfeits

Empirical studies like (Grossman & Shapiro, 1986; de Matos et al, 2007; Yoo & Lee, 2011) have postulated those consumers are divided in two main groups the deceived and non deceived consumers. The deceived consumers are those who purchase counterfeits without knowing there are purchasing counterfeits. The non deceived consumers are those who purchase counterfeits with knowledge. The question arise here is why consumer purchase counterfeits with full knowledge? Some of studies have tried to explain it, (Vida, 2007), suggest that consumer are willing to purchase counterfeit due to factors like cost of products compare to genuine, social pressure, and individuality traits. Another factor that may lead consumer to purchase counterfeits is the desire to obtain benefits of genuine brands at lower costs, (Cordell, et al, 1996; Matos, Ituassu & Rossi, 2007). For instance in areas like Kariakoo, the cloths brands like, Nike, Gucci, Adidas, Levi’s to mention few are sold at low prices compare to genuine brands. Consumers purchases these cloths brands to fulfill their desire to wear high value brands at lower prices. For those consumers who are deceived, lack of information and brands awareness are the main factors. The literatures have been examined what are the forces behind consumer purchase counterfeit brands, and studies have shown, consumer behavior and attitude theories towards counterfeits as the main factors, (Matos, Ituassu, & Rossi, 2007; Lee & Yoo, 2011; Bian & Moutinho, 2009).

2.6 The conclusion of literature review

In this chapter the researcher reviewed some of the brand and counterfeiting concepts, and theories. The studies like (Aaker, 1996; Clifton & Simmons, et al, 2003; Kotler, & Pfoertsch, 2006; de Chernatony & Riley, 1997; Kotler, & Pfoertsch, 2006) have try to analyze the concept of brand definitions. There is no wide divergence in definition of brand.
Brand equity has been defined as the process of creating value to the brand in terms of brand awareness, brand associations and brand loyalty. Brand equity are those brand components that makes a brand to be ahead of its competitors, (Pitta & Katsanis, 1995).

Several literatures have contributed on the definition of counterfeiting and counterfeit, (Grossman & Shapiro, 1986; Kapferer, 1995; Chaudhry & Walsh, 1996; Cordell et al, 1996; Kay, 1990; Eisend & Guler, 2006; Chow, 2000). Some studies discussed the problems of counterfeiting, (Bamossy & Scammon, 1985; de Matos et al, 2007; Yoo & Lee, 2011; Chow, 2000; Aryanto, 2003; Cummuri, 2009; Kafchinski, 2009; Givon Mahajan & Muller, 1995).

The theories of consumer behavior towards counterfeits discussed by (Bian & Moutinho, 2011; Yoo & Lee, 2011; Vida, 2007; Hilton, Choi & Chen, 2004), most of the studies have seen the actions of counterfeiting as criminal actions that have to be combated. But the other side of counterfeiting theories have seen the action in other way for example (Chang, 2004) postulated that counterfeiting has been the result of long western cultural and economical effect to Asian countries.

We consider that consumer loyalty is built on brands that satisfy consumers utility, (Chaudhry, 1995; Mellens et al, 1995; Oliver, 1999; Lau, & Lee, 1999 Chaudhuri, & Holbrook, 2001; Gommans et al, 2001; Olbrich & Windbergs, 2006; Kuusik, 2007; Suh & Yi, 2006), then consumer brand loyalty have an impact on counterfeiting.

However, the studies of counterfeiting and consumers have been more done on Europe, USA, and Asia countries, hence counterfeiting have to be done also in countries like Tanzania. The researcher want to learn the relationship between the two variables, consumer brand loyalty and counterfeiting in Tanzania context.

2.7 Hypotheses

H1= there is positive relationship between consumer brand loyalty and counterfeiting

H0= there is no positive relationship between consumer brand loyalty and counterfeiting
CHAPTER THREE
RESEARCH METHODOLOGY

3.0 Introduction

This chapter aims at presenting the systematic activities that were used by researcher during the study. This chapter presents the research design, methods and philosophical theory underpinnings research methodology. The chapter starts by philosophies of research methodology, then research design, location of the study, population study and sample. Lastly, the chapter presents data collection instrument, methods, and data analysis.

3.1 The philosophical concept of research methodology

Normally the researcher requires two assumptions; nature of society, and nature of science in order to choose philosophical perspective, (Holden & Lynch, 2004). Among the taxonomies of research approaches is that differentiates research as empirical or theoretical studies, (Remenyi, 1995). Empirical studies are one which resulted from observation and experiment, and in other hand theoretical studies is the ‘contemplative of the mind or intellectual faculties’, (Remenyi, 1995). Research philosophy is the important aspect in the research field. The philosophy makes the researcher became confident that is using the right methodology, in addition it opens the minds and further possibilities to the studies, (Holden,& Lynch, 2004). Remenyi, (1995) stated that research philosophy answer the fundamental questions that a researcher need to answer before starting any studies, ‘why research?’, ‘what to research?’, and ‘how to research?’. In the field of research studies, there are several philosophies that govern. This study was governed by the positivism, Interpretivism and pragmatism philosophies.

3.1.1 Positivism

Positivism philosophy is the scientific based philosophy which believes that an intent truth exists which is independent of human behavior, hence no construction of the human mental power, (Crossan, 2003). Positivists exclude themselves from speculations and
based themselves on confined data of experience, and reject all problems, concepts and propositions of traditional philosophy of being, substances, and grounds. Positivism is based on facts rather than impressions, (Saunders, Lewis & Thornhill, 2009). The aim of this rational review is to see how philosophy like positivism can be philosophical idea of this study. Positivists have been face strong arguments from other scholar of Interpretivist. Ontology in positivist measured as single external objective to any research question apart from researcher’s beliefs. Positivist take a controlled and structured approaches in conducting research by firstly make out a research topic, constructing appropriate research hypotheses and proper research methodology. Positivist does not attach themselves to the participants of the study; this help the positivists to remaining emotional neutral in order make clear distinctions between basis and feelings, science and personal experience, between fact and value judgment, (Carson et al, 1988). Mathematical and statistics is the technique used by positivist researchers, (Hudson & Ozanne, 1988)

3.1.2 The Interpretivism
Interpretivism research philosophy is that consider human role as a social actors, and insist on conducting research on human being instead of objects. In social lives our roles plays a big part in interpreting social life in set of meanings, i.e. we interpreting other actions as a social actors in a meaningful way that give meaning to ourselves, (Saunders, Lewis & Thornhill, 2009). Interpretist argue that, is on subjective interpretation of and intervention in reality that can be fully understood. Interpretist strongly advocates the study of phenomenon in their natural environments. Interpretivism considered that reality is relative and multiple, and can be accessed by multiple structures. The knowledge generated from this discipline is perceived through socially constructed and subjective interpretations. The main aim of Interpretivist researcher is to study and define human behavior rather than generalizing and predicting causes and effects as oppose to positivists, (Hudson & Ozanne, 1988).
3.1.3 Pragmatism
In the research fields neither positivists nor Interpretivist has claim to be superior to another. The emerging of pragmatist, has come to combine the two philosophies, positivists and Interpretivist. The pragmatist philosophy has been taken as the alternative to Interpretivism and positivism, (Goldkuhl, 2004). Whether you choose positivism or Interpretivism research philosophy, most important determinant of ontology, epistemology and axiology to be adopted is research question. What interesting the pragmatist is not what ‘is’ instead is what ‘might be’. Pragmatists have claims that the world is under evolving changes and not static, the changes are carried by the actions under purpose and knowledge. Human knowledge and actions cannot be separated as they have links. Pragmatist seems to have more mutual access to the knowledge and action, (Goldkuhl, 2004).

3.1.3 Conclusion to research philosophy
It is clear that even though we may be biased in whether to use Interpretivism or positivism approaches but what determine which philosophy to apply is research question. When a researcher objective and question is clearly set then any philosophy approach can be applied,(Saunders, Lewis &Thornhill, 2009). The researcher in this study used programmatic philosophy, which is neither positivism nor Interpretivism in better than another rather than combination of them.

3.2 Research design
Research design is the logical structure of the inquiry and it depict specific plan for how the problem will be answered, (Creswell, 2012; Saunders, Lewis &Thornhill, 2009; Cooper & Schindler, 2003). Research design is the blueprint of the whole work to be done. Researcher asks questions like, what epistemology, philosophy stance, methodology and methods that will be appropriate to solve the problem. The design is the map of defining the research problem, (Kothari, 2004). The researcher has used descriptive study design. The descriptive approaches is mostly used in survey. Remenyi, (1995; Kothari,
This study based on the survey of consumers and sellers of commodities in Kariakoo Dar es salaam in order to find the relationship that exist between brand loyalty and counterfeiting of brand.

This research design was prefered due to the following reasons. The descriptive is more favorable for survey studies and not so much exhaustively in measurements and analysis,(Lusanjala, 2009). Time frame has been the major limitation factor to this research hence the descriptive was the rescue as it needs simple statistical techniques

3.3 Location of the study

The research was mainly conducted in Kariakoo area, in Dar essalaam city. The place is so popular for business activities than any place in Tanzania. Traders from Far East Countries and central Asia, as well as central Africa countries, and east Africa countries met. Also is a main supplying centre for mainland Tanzania. The researcher has considered the usefulness of the study by selecting the appropriate area for study.

This study was carried out in Kariakoo from June 2013 to July 2013. Kariakoo is the trading area of Ilala municipality, in DaresSalaam city.

3.4 The population of the study

The target population of the study included the customers and sellers around the Kariakoo trading centre. Population in research refers to an entire group or elements with common characteristics, which are targeted for the study or is total collection of elements about which the study wish to make some assumption, (Cooper & Schindler, 2003). In this study to find the relationship existing between the consumer loyalties to brand and counterfeiting, the population parameter was the business and consumers that operates or purchase in Kariakoo business centre.
3.5 Sampling strategies

Sample is that elements that representing the target population of the study, (Kothari, 2004). It is a complete list of all the cases in the population from which a probability or non probability sample is drawn. Sampling is the process of choosing representative of population to be studied, (Kothari, 2004). The selected sample was used to draw conclusion on population. This study focuses to interview 200 respondents. The study consider time and financial constrains hence the selected sample was easy for researcher to collect data.

3.5.1 Sampling techniques

Due to nature of study purposive sampling was used in sample selection, (Teddlie& Yu, 2007). The purposive sampling gives the researcher a chance of selecting a sample which is best in answering research question, (Saunders, Lewis &Thornhill, 2009).

3.5.2 Sample selection

The researcher has selected the Kariakoo streets according to categories of business practiced there. The streets like Congo, Narung’ombe, Likoma, Agrey, and Msimbazi were selected for interview both the customers and sellers. This has save cost like finance and time.
Table 3.1: Streets sample by categories of products

<table>
<thead>
<tr>
<th>Reading activities</th>
<th>Street name</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apparels</td>
<td>Ongo</td>
</tr>
<tr>
<td>Home appliances</td>
<td>Grey</td>
</tr>
<tr>
<td></td>
<td>Simbazi</td>
</tr>
<tr>
<td>Cell phones</td>
<td>Simbazi</td>
</tr>
<tr>
<td></td>
<td>Ikoma</td>
</tr>
<tr>
<td>And bags/shoes</td>
<td>Arungo’mbé</td>
</tr>
</tbody>
</table>

Source: Researcher 2013

3.6 Sources of data

Normally researchers used primary and secondary data. Primary data are those data gathered by the researcher through different methods and techniques, (Saunders, Lewis & Thornhill, 2009; Kothari, 2004). Secondary data are those data that collected by other for other purposes but have useful information to support the research. Example the payrolls, sales reports, meeting minutes, imports and export reports, (Saunders, Lewis, & Thornhill, 2009). Primary data were used by researcher.

3.6.1 Methods of data collection

There are many data collection methods, that a researcher can use like questionnaire, interview and documents, as defined by (Cooper & Schindler, 2003; Kothari, 2004) researcher used interview method because the respondents were pass by customers therefore it could be not easy to distribute questionnaires.

3.6.2 Interview

As mentioned by Saunders, Lewis & Thornhill, (2009), interview is the purposeful conversation between two or more people. In the research activities this can be a good way of obtain valuable data that will help to answer research questions. Interview can be structured, semi structured and unstructured, (Kothari, 2004; Saunders, Lewis & Thornhill, 2009). This study used structured interview to collect data from the respondents. The interview was conducted in about 198 customers and 45 traders.
3.6.3 Documents
Documentation is the way of collecting data by using documents that have been used for other purpose, (Kothari, 2004). The researcher has used the documents that have information like the seized counterfeit branded. In this study documents from different sources like websites, news papers and new bulletining were used to collect information regarding counterfeiting business in Tanzania.

3.7 Achieved sample
The numbers of 200 customers were estimated to be interviewed but 198 were achieved, about 99%. Also 50 traders were estimated to be interviewed but only 45 were achieved.

Table 3.2: Profile of respondents achieved

<table>
<thead>
<tr>
<th>Group</th>
<th>Interviewed</th>
<th>Percentages of interviewed respondents group</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customers</td>
<td>198</td>
<td>99%</td>
</tr>
<tr>
<td>Traders</td>
<td>45</td>
<td>90%</td>
</tr>
</tbody>
</table>

Sources: researcher 2013

3.8 Data analysis
As this research have two variables then each variable data were coded and analyzed by using excel software. First the respondents table was analyzed to obtain respondents profile. Then brand loyalty was interview were coded and analyzed by matrix table. Second analysis was the counterfeiting data, which also was analyzed and shown in a matrix table of discrete series. The relationship between brand loyalty and counterfeiting were measured by using simple correlation method which was Karl Pearson’s Coefficient of Correlation ship

\[ r = \frac{\sum dx dy}{n t x \times t y} \]

where

\[ r = \text{coefficient of relationship} \]
dx = deviation of item values of x series from its arithmetic average

dy = deviation of item values of series from its arithmetic average

dxdy = product + dx – i.e. dx * dy

txty = standard deviation of y series

3.9 The interpretation of coefficient of correlation

According to Raj, (2005) the main thing to consider in measuring for correlation is whether the result is negative or positive and also is degree high, moderate or low and whether is significant or insignificant Weinberg & Goldberg (1990). In this research excel corr. formula was used to measure the correlation of brand loyalty and counterfeiting of brand. The summarized information was analyzed according to research objectives.
4.0 The introduction

The chapter presents the study findings based on collected data during the survey. The study was done to examine the relationship between brand loyalty and counterfeiting. The study conducted in a Kariakoo. Two main groups involved were, consumers and traders. The study also examined the documented data in some institutions like FCC, TFDA, and TRA to determine other factors like situation of counterfeits in Tanzania, effects of counterfeits in Tanzania economy, health and safety of consumers and measures that have been taken so far.

The study surveyed 198 customers and 45 traders who were willing to be interview. Customer’s interview was planned to determine brand loyalty and traders interview was planned to determine the level of counterfeiting according to highly loyal brands. Data were processed by using the SPSS software and then relationship between the two variables were analyzed by using excel correlation formula. In this research also some of other findings emerged as the result of study.

4.1 Demographic profile of respondents-consumers

This section presents consumers profile. According to the nature of this study, male and female were involved. Also age of the respondents categorized.

4.1.1 Distribution of customers by gender

From the data processed female were (58%) and male (42%). Female were more than a male do to following reasons. First female customers were more cooperative than male. Most of female were charming to the interviewers than a male. A second reason is more female were doing purchases than male. Female seems to have more number of purchases
than a male. Example women were purchasing outfits for wedding receptions and other related functions. Men do not have frequency of purchasing things like cloths. Therefore do to activities of female they were more available for interviewed than male.

Furthermore male were not accessible as they were too busy to stand for interview. Most of them were hurrying for other activities. This has cause more women to be interviewed than a men.

Figure 4.1: the distribution of customers by gender

![Pie chart showing distribution of customers by gender]

Source; Researcher 2013

4.1.2 Distribution of customers by age

In this study respondents were grouped in three groups of ages; age between 15 years to 35 years, 36 to 55 and above 56 years. The distribution of the age was as follows; between 15 to 35 years were 52%, 36 to 55 years 43% and above 56 were 5%.

In the study most of the customers of products apparels, cell phones, electronic appliances like TV sets, radio, wearing accessories like hand bags, wallets and so on were most youth aged 15 to 35. In this group most of them like fashion and have tendency of purchase
frequently due to less responsibilities and peer pressure. But most of the customers below 20 years of age are dependants because students in colleges and high schools are in this group.

According to the study the middle age of 35 to 55 were not purchasing much. The reason may be due to responsibilities that face them or less peer pressure.

Figure 4.2: The distribution of customer by age

![Distribution of customers by age](image)

Source: Researcher 2013

### 4.2 Traders profile- gender

In this study findings shows that female traders are less than male traders. Male represented 80% and female 20% of interviewed traders. The main reasons could be luck of capitals and competition from male counterpart or family obligations like rising of children and caring of family. Also most of the female were not willing to talk about their business activities.
4.3 Brand loyalty analysis and finding

In this study brand loyalty was determined by investigating on how consumers were repeating frequently in the purchasing of brand due to satisfactions derived from the brand. According to the interview conducted and analyzed data. There were four sample of category that surveyed (Apparels, electronic appliances, handbags/shoes, and cell phones). According to the data processed almost 27 brand names were taken as most loyalty to consumers. The presentation of brand by category were as follows apparels 52%, bags/shoes 26%, electrical appliance 4% and cell phone 2%.

Source: Researcher 2013
4.3.1 **Apparels category**

Apparel was the most categories with brands that consumers were loyal to. According to the interviewed consumers most of them mentioned that were loyal to brands in this category. Also in the category name of brands mentioned were almost 14 names. Out of 198 customers interviewed, Nike was mentioned 178 times, Levis 177, Adidas 145, timberland 134, Ben Ten 134, and Hanna Montana 113. These were most mentioned brands in apparel category. Nike brand is famous in local market and is used in sport wear and casual wear. According to research apparels was leading category because is more demanded than other categories. Normal a person can purchase cloths more times in a year than purchase a cell phone or TV set. Another reason is the changing of style and tastes of cloths. Fashion of cloths wear is a changing phenomenon which needs people to purchase frequently in order to avoid outdated fashion.
Table 4.1: Apparels brands profile

<table>
<thead>
<tr>
<th>Brand name</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nike</td>
<td>78</td>
</tr>
<tr>
<td>evis</td>
<td>77</td>
</tr>
<tr>
<td>didas</td>
<td>45</td>
</tr>
<tr>
<td>imberland</td>
<td>84</td>
</tr>
<tr>
<td>en ten</td>
<td>84</td>
</tr>
<tr>
<td>anna Montana</td>
<td>13</td>
</tr>
<tr>
<td>ockers</td>
<td>8</td>
</tr>
<tr>
<td>&amp; G</td>
<td>5</td>
</tr>
<tr>
<td>oss</td>
<td>1</td>
</tr>
<tr>
<td>an Hussein</td>
<td>2</td>
</tr>
<tr>
<td>iorgio Armani</td>
<td>0</td>
</tr>
<tr>
<td>ugo boss</td>
<td>1</td>
</tr>
<tr>
<td>erre Cardin</td>
<td>2</td>
</tr>
<tr>
<td>ark Spencer</td>
<td>1</td>
</tr>
</tbody>
</table>

Source: Researcher 2013

4.3.2 Hand Bags/shoes category

This category contains handbags and shoes, and most brand names mentioned are Louis Vuitton, Gucci, Diesel, Clarks, and Fila. Consumers who interviewed were women and the most handbags brands they love were Gucci and LV (Louis Vuitton). These brands were sold almost every corner of the place. You could find Machingas (hawkers) holding Gucci and LV hand bags for sale in the streets of Kariakoo trading centre. Also shoes brands like diesel, cat, Clarks and Fila were most loved brands and frequently purchased.
Table 4.2: Profile of hands/shoes

<table>
<thead>
<tr>
<th>rand name</th>
<th>frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>iessl</td>
<td>3</td>
</tr>
<tr>
<td>AT</td>
<td>1</td>
</tr>
<tr>
<td>ucci</td>
<td>1</td>
</tr>
<tr>
<td>V</td>
<td>5</td>
</tr>
<tr>
<td>larks</td>
<td>1</td>
</tr>
<tr>
<td>ia</td>
<td>3</td>
</tr>
</tbody>
</table>

Source: Researcher 2013

4.3.3 **Home appliances**

Home appliances brands like LG, Sony, Toshiba, Panasonic and Hitachi were most loved brands by customers. Home appliance like iron, radio, and TV sets were most purchased products in this category. Most of the customers were men than a woman.

Table 4.3: Profile of home appliance distribution

<table>
<thead>
<tr>
<th>rand name</th>
<th>frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>G</td>
<td>6</td>
</tr>
<tr>
<td>ony</td>
<td>2</td>
</tr>
<tr>
<td>oshiba</td>
<td>5</td>
</tr>
<tr>
<td>enasonic</td>
<td>7</td>
</tr>
<tr>
<td>itachi</td>
<td>7</td>
</tr>
</tbody>
</table>

Source: Researcher 2013

4.3.4 **Cell phone**

In this category brand names mentioned were Samsung and Nokia. Most of consumers of cell phone like brand that is familiar and user friendly, they say that Nokia and Samsung has functions which are easy to use.
Table 4.4: Profile of cell phone

<table>
<thead>
<tr>
<th>Brand name</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Samsung</td>
<td>64</td>
</tr>
<tr>
<td>Nokia</td>
<td>50</td>
</tr>
</tbody>
</table>

Source: researcher survey 2013

4.3 Factors that influence consumers to purchase products

In this study consumer were asked what influence them to purchase a certain brand name compare to another. Consumers were told to choose among the four factors price, quality, style and brand name. The results were price (44%), brand name (37%), style (11%) and quality (7%).

Figure 4.5: Distribution of factors that influence consumers to purchase products

Source: Researcher data 2013
4.3.1  Price factor
Price was taken as main influence for consumer to purchase a product was price. When the consumer asked why price was the main motive behind their consideration they say that economical factor was the reason behind. Most of the consumers are price conscious. They are attracted by low price because of their low income. That is why most of the products in Kariakoo are sold at low prices compare to real prices of the brands in other countries like Europe, and USA.

4.3.2  Brand name factor
Brand name was second ranked by consumers as influential factor for the purchase of products. Brand was mentioned as the social status. Most of consumers feel that they could feel a high class if they purchase a brand name like Gucci handbag, or Nike sneakers. Therefore brand name was just a showoff or status factor.

4.3.3  Style factor
We can mention style as a popular taste at given time in terms of looking or taste. Most of respondents mentioned style as the factor for purchase products. The ways of communications today are so easy. The availability of media like fashion television channels, fashion magazines and exhibitions have make most of the local consumers to be aware of fashion and styles. Most of the consumers are attracted by style and fashion especially in apparels.

4.3.4  Quality factor
Quality can be taken as the ability of a product to satisfy a consumer need and wants. If consumer is satisfied in terms of durability, appearance, style and taste then he/she may say the product has quality. In this study consumer seems not to consider about this factor like other developing countries where quality is a first factor.
4.4 Counterfeiting analysis and findings

In order to obtain data of brand counterfeit traders were interview. The data processed and analyzed. Brands were categorized according to apparels, home appliances, cell phone and handbags/ shoes.

Figure 4.6: Distribution profile of counterfeited brands by categories

Source: Researcher survey 2013

Apparel was the leading category with many counterfeited brand names with 12 brand names, second category was handbags/ shoes with 9 brand names, third was home appliance with 5 brand names and the last was cell phone with 2 brand names. Most of the brands reflect the consumer’s loyal brands.

According to the data analyzed brands which lead by being counterfeited were Samsung, Nike, Sony, Nokia, Levis, LG, Adidas, Ben Ten, Diesel, Giorgio Armani, Gucci and timberland. During the survey brands which are counterfeited were seen sold public in the streets of Kariakoo. Most of the brands were apparels.
Table 4.5: Counterfeited brands

<table>
<thead>
<tr>
<th>Category</th>
<th>Name</th>
<th>Frequency</th>
<th>Validity %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apparel</td>
<td>Nike</td>
<td>43</td>
<td>5.7</td>
</tr>
<tr>
<td></td>
<td>Levis</td>
<td>42</td>
<td>5.5</td>
</tr>
<tr>
<td></td>
<td>Adidas</td>
<td>41</td>
<td>5.4</td>
</tr>
<tr>
<td></td>
<td>Ben Ten</td>
<td>39</td>
<td>5.1</td>
</tr>
<tr>
<td></td>
<td>Giorgio Armani</td>
<td>34</td>
<td>4.5</td>
</tr>
<tr>
<td></td>
<td>Timberland</td>
<td>32</td>
<td>4.2</td>
</tr>
<tr>
<td></td>
<td>Hugo Boss</td>
<td>30</td>
<td>3.9</td>
</tr>
<tr>
<td></td>
<td>Hanna Montana</td>
<td>29</td>
<td>3.8</td>
</tr>
<tr>
<td></td>
<td>Dockers</td>
<td>23</td>
<td>3.0</td>
</tr>
<tr>
<td></td>
<td>Boss</td>
<td>21</td>
<td>2.8</td>
</tr>
<tr>
<td></td>
<td>Pierre Cardin</td>
<td>18</td>
<td>2.4</td>
</tr>
<tr>
<td></td>
<td>Van Hussein</td>
<td>13</td>
<td>1.7</td>
</tr>
<tr>
<td></td>
<td>Mark Spencer</td>
<td>9</td>
<td>1.2</td>
</tr>
<tr>
<td>Handbags/shoes</td>
<td>Diesel</td>
<td>38</td>
<td>5.0</td>
</tr>
<tr>
<td></td>
<td>Gucci</td>
<td>33</td>
<td>4.3</td>
</tr>
<tr>
<td></td>
<td>D &amp; G</td>
<td>26</td>
<td>3.4</td>
</tr>
<tr>
<td></td>
<td>CAT</td>
<td>23</td>
<td>3.0</td>
</tr>
<tr>
<td></td>
<td>LV</td>
<td>20</td>
<td>2.6</td>
</tr>
<tr>
<td></td>
<td>Clarks</td>
<td>19</td>
<td>2.5</td>
</tr>
<tr>
<td></td>
<td>Fila</td>
<td>6</td>
<td>0.8</td>
</tr>
<tr>
<td>Home appliance</td>
<td>Sony</td>
<td>43</td>
<td>5.7</td>
</tr>
<tr>
<td></td>
<td>LG</td>
<td>42</td>
<td>5.5</td>
</tr>
<tr>
<td></td>
<td>Toshiba</td>
<td>22</td>
<td>2.9</td>
</tr>
<tr>
<td></td>
<td>Panasonic</td>
<td>15</td>
<td>2.0</td>
</tr>
<tr>
<td></td>
<td>Hitachi</td>
<td>12</td>
<td>1.6</td>
</tr>
<tr>
<td>Cell phone</td>
<td>Samsung</td>
<td>44</td>
<td>5.8</td>
</tr>
<tr>
<td></td>
<td>Nokia</td>
<td>43</td>
<td>5.7</td>
</tr>
</tbody>
</table>

Source: researcher 201
4.5 The relationship between brand loyalty and counterfeiting

The main researcher objective was to examine if there is an existing correlation between consumer loyalty to brands and counterfeiting of the brands. After the analysis of consumers loyalty to brands and counterfeiting brands data, then the researcher compare data and use the correlation formula to measure correlation. Karl Pearson’s Coefficient of Correlation ship formula from excels software used. Variables were brand loyalty (y), and counterfeiting of brands (x). After calculation the result was 0.8

4.5.1 The interpretation of results

According to Raj, (2005); Weinberg, & Goldberg, (1990), correlation interpretation considers whether the result is negative or positive; the degree is high or low; moderate or low and whether is significant or insignificant. In this study researcher consider if the result was negative or positive and the degree of correlation. According to Weinberg & Goldberg, (1990) if the result is +0.8 to -0.8 the relationship can be interpreted as strong or high relationship between the variables of X and Y. From the interpreted results then there is strong relationship between brand loyalty and counterfeiting of brands.

The relationship in brand loyalty and counterfeiting in this study has considered to be strong because many of the brands which demanded by consumers were counterfeited. When traders were asked on why they sell counterfeited brands they said that profit was the motives behind the business. Most of counterfeited were sold at low costs. Chinese traders were managing to sell these brands because they targeted behavior of consumers to consider low prices.
Table 4.6: The variable data for X and Y variables

<table>
<thead>
<tr>
<th>Brand name</th>
<th>Variable X</th>
<th>Variable Y</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nike</td>
<td>178</td>
<td>43</td>
</tr>
<tr>
<td>Levis</td>
<td>177</td>
<td>42</td>
</tr>
<tr>
<td>Samsung</td>
<td>164</td>
<td>44</td>
</tr>
<tr>
<td>Nokia</td>
<td>150</td>
<td>43</td>
</tr>
<tr>
<td>Adidas</td>
<td>145</td>
<td>41</td>
</tr>
<tr>
<td>Timberland</td>
<td>134</td>
<td>32</td>
</tr>
<tr>
<td>Ben ten</td>
<td>134</td>
<td>39</td>
</tr>
<tr>
<td>Diesel</td>
<td>123</td>
<td>38</td>
</tr>
<tr>
<td>LG</td>
<td>116</td>
<td>42</td>
</tr>
<tr>
<td>Hanna Montana</td>
<td>113</td>
<td>29</td>
</tr>
<tr>
<td>Sony</td>
<td>112</td>
<td>43</td>
</tr>
<tr>
<td>CAT</td>
<td>92</td>
<td>23</td>
</tr>
<tr>
<td>Gucci</td>
<td>87</td>
<td>33</td>
</tr>
<tr>
<td>Dockers</td>
<td>78</td>
<td>23</td>
</tr>
<tr>
<td>LV</td>
<td>75</td>
<td>20</td>
</tr>
<tr>
<td>Toshiba</td>
<td>66</td>
<td>22</td>
</tr>
<tr>
<td>Clarks</td>
<td>60</td>
<td>19</td>
</tr>
<tr>
<td>D &amp; G</td>
<td>56</td>
<td>26</td>
</tr>
<tr>
<td>Panasonic</td>
<td>47</td>
<td>15</td>
</tr>
<tr>
<td>Boss</td>
<td>34</td>
<td>21</td>
</tr>
<tr>
<td>Fila</td>
<td>33</td>
<td>6</td>
</tr>
<tr>
<td>Van Hussein</td>
<td>32</td>
<td>13</td>
</tr>
<tr>
<td>Giorgio Armani</td>
<td>30</td>
<td>34</td>
</tr>
<tr>
<td>Hugo boss</td>
<td>26</td>
<td>30</td>
</tr>
<tr>
<td>Pierre Cardin</td>
<td>22</td>
<td>18</td>
</tr>
<tr>
<td>Mark Spencer</td>
<td>21</td>
<td>9</td>
</tr>
<tr>
<td>Hitachi</td>
<td>17</td>
<td>12</td>
</tr>
</tbody>
</table>

Source: Researcher 2013
According to analyzed data, the individual relationship between brand loyalty and counterfeiting show that there were uneven relationships, some of the brands show high demand than others but in case of counterfeits shows low than others. For example Nike was leading in brand loyalty but it has low counterfeiting than Sony. Sony and Levis, Timberland and Ben ten are some of example.
4.6 Hypothesis findings

The hypothesis testing of this study was whether there is correlation between brands loyalty and counterfeiting of brands. From the findings the relation existing between these two variables were 0.8 hence there is positive correlation ship.
4.7 The documented sources

The researcher has used other sources to get useful information concern counterfeiting. Some of the sources were FCC, TBS and TFDA. These sources are concern in the fighting against counterfeiting of brands and substandard of products. The researcher uses the information as an evidence of counterfeiting of brands and state of counterfeiting in Tanzania.

4.7.1 FCC

Fair and completion commission is the independent government body which has given mandate to promote fair competition in trade and commerce, also to protect consumers’
rights. This body was established under the fair competition act, 2003 (no. 8 of 2003). FCC is the key player in the war against counterfeiting in Tanzania.

According to information published in the FCC news letter of October to December 2012 companies which file complaints to FCC were Uniliver, Nivea, Always, Techno, Super Max, Sollatek and Euro Solar Brands. These companies were complaining about their brands being counterfeited.

Some of the brands which counterfeited by the period of two last years (January 2011-February 2013) were AK, HP, Euro Solar Panels.

Table 4.7: Counterfeited brands according to FCC news letter of January – march 2013

<table>
<thead>
<tr>
<th>Duration</th>
<th>Brand name</th>
<th>Amount seized</th>
<th>Value in Tshs.</th>
</tr>
</thead>
<tbody>
<tr>
<td>07/2011 – 12/2012</td>
<td>Assorted</td>
<td>313 containers</td>
<td>324,700,000</td>
</tr>
<tr>
<td>02/2012</td>
<td>HP toners</td>
<td>43 cartons</td>
<td>6,350,000</td>
</tr>
<tr>
<td>11/2012</td>
<td>Euro solar panels</td>
<td>176</td>
<td>Not available</td>
</tr>
<tr>
<td>01/2013</td>
<td>AK (brake pads and drums)</td>
<td>1,199 sets</td>
<td>Not available</td>
</tr>
<tr>
<td></td>
<td></td>
<td>11 drums</td>
<td>Not available</td>
</tr>
</tbody>
</table>

Source: FCC News letter 2013

Table 4.8: Seized counterfeit brands in the period between October to December 2012

<table>
<thead>
<tr>
<th>Duration</th>
<th>Brand name</th>
<th>Quantity seized</th>
<th>Value in Tshs.</th>
</tr>
</thead>
<tbody>
<tr>
<td>October to December 2012</td>
<td>Vacuum flask</td>
<td>-</td>
<td>5,120,000</td>
</tr>
<tr>
<td></td>
<td>Vee-rubber</td>
<td>-</td>
<td>8,250,000</td>
</tr>
<tr>
<td></td>
<td>(motorcycle tubes)</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Philips – iron</td>
<td>-</td>
<td>217,000</td>
</tr>
<tr>
<td></td>
<td>Nokia/Samsung mob phones</td>
<td>-</td>
<td>360,000</td>
</tr>
<tr>
<td></td>
<td>Containers of fake brands</td>
<td>46</td>
<td></td>
</tr>
</tbody>
</table>

Source: FCC News letter 2012
4.7.2 TFDA
This is the independent government body established under parliament Act 1 of 2003. The main function of TFDA is to promote and control of food, drugs, herbal drugs, cosmetics and medical devices in the country. Services provided by TFDA are laboratory analysis of quality, safety and effectiveness; premises registration and licensing; import and export control; risks analysis.

In this research some of the findings were obtained from TFDA like the availability of counterfeit drugs. Most of the case was that of counterfeit ARVs batch number TT-VIR 30 # OC.01.85 which was released 04th October 2012. This signifies availability of counterfeit products in different parts of products including drugs, cosmetics, and pharmaceuticals in the country.
4.7.3 TBS

This is the government body which operates under parliament act 3 of 1975 and amended by parliament act 2 of 2009. The main functions of TBS are to set standard and control quality of products of all descriptions, and promote standardization in industry and trade. This is government organ which has mandate to remove and prevent substandard products in the market especially those threatens life and welfare of consumers.

TBS has been preventing manufacture and selling of non standardized products. The main finding in from TBS is the way it involves in the combating of counterfeiting products. Those substandard products from abroad are not granted permission to sale in Tanzania. Therefore TBS mark the quality and safety assurance of product.

Table 4.9; Number of tested samples and calibrated items between January and June 2011

<table>
<thead>
<tr>
<th>Month</th>
<th>Type testing Samples</th>
<th>Certification Samples</th>
<th>Items Calibrated</th>
<th>Total number samples test and calibrated items</th>
</tr>
</thead>
<tbody>
<tr>
<td>January</td>
<td>92</td>
<td>284</td>
<td>132</td>
<td>508</td>
</tr>
<tr>
<td>February</td>
<td>173</td>
<td>343</td>
<td>63</td>
<td>579</td>
</tr>
<tr>
<td>March</td>
<td>173</td>
<td>394</td>
<td>108</td>
<td>675</td>
</tr>
<tr>
<td>April</td>
<td>133</td>
<td>316</td>
<td>163</td>
<td>612</td>
</tr>
<tr>
<td>May</td>
<td>126</td>
<td>271</td>
<td>290</td>
<td>687</td>
</tr>
<tr>
<td>June</td>
<td>127</td>
<td>277</td>
<td>283</td>
<td>687</td>
</tr>
<tr>
<td>Total</td>
<td>824</td>
<td>1885</td>
<td>1039</td>
<td>3748</td>
</tr>
</tbody>
</table>

Source: TBS 2011
CHAPTER FIVE
DISCUSSION OF THE MAIN FINDINGS

5.0 Introduction

In this chapter the study findings will be discussed in relation to literature reviewed. This study sought to investigate relationship that exists between brand loyalty and counterfeiting in Tanzania. The study was guided by the main objective of whether brand loyalty influence counterfeiting of brands. The researcher review literature in brand concept, brand equity, brand loyalty and counterfeiting globally and in Tanzania. The study conducted in Kariakoo trading center in Dar es Salaam. Due to its popularity of selling imported products from Asia, and far east like China, Thailand, Taiwan, Hong Kong, Malaysia and Singapore. The streets were selected and interview conducted in two groups, 200 consumers and 50 traders. Also the researcher use document from other sources to investigate the counterfeits and counterfeiting.

5.1 Brand concept

Brand has been defined as logo, symbol, character, slogans or jingles that define products or service, (Copeland, 1923; Kotler, 1988; Grewal & Levy, 2010). In the reviewed literature brand concept has not been in great controversy. Most of the scholars have been arguing the same about brand, but most of differences were based on management or consumer definition, (McEnally & de Chernatony, 1999) also definition based on tangible or intangible, (Chernatony & Riley, 1998).

In this study brand is taken as way of distinguish product. According to research conducted, brand is not taken in broad sense like in developing countries. Also there is no many studies that have been conducted considering brand concept. Most of consumers seem to purchase products because it has a Nike logo, or a Sony or Nokia but they don’t know beyond that. Many consumers purchase products because brand is the one which is in fashion. And this was mostly found in apparels brands. This behavior has
encouraged counterfeiting of brands which have poor quality. Example the cell phone brands like Nokia and Sony are among the leading counterfeited brands because everyone wants to own them. But in other countries like Europe the brand is taken as assurance of quality and safety. (Keller & Lehmann, 2006). Most of the customers in Tanzania have no historical background of brands but they just purchase brands due to peer pressure.

Many of brands consumed here in Tanzania are not local owned brands. Most of brands are imported, this contribute lack of information about the brands. Therefore brands awareness in very low in Tanzania. Some of the interviewees were not able to mention the origin of brand names like Panasonic, Nokia, Samsung, and Louis Vuitton they said it Chinese brands.

In the reviewed literature reviewed brand has been attached to people evolution of life since barter trade era, (Clifton et al, 2003; Kotler & Keller, 2003). Here in Tanzania because of traditions and culture and political economy system (socialism economic system) brand has not been consider as an important thing, because in socialism there is no high degree of choice.

5.2 Brand loyalty

Sheith & Park, 1974, have defined brand loyalty as a tendency of being biased to an object or subject among alternatives available in rational or emotional way. This means that when consumer receives benefits or satisfaction from a certain brand(s), then consumer build up a sense of trust to the brand which cause consumer to repeat purchase that product instead of purchasing another product that have the same benefits. Brand loyalties have been discussed in different approaches. Early scholars like, (Cunningham, 1956; Fidey, 1964; McConnell, 1968) were based on behavior theory try to explain why consumer became loyal to brand(s). Day 1969, as cited by Kuusik, 2007 mentioned that brand loyalty is not only behavior outcome but also attitudinal outcome. The great work was then done by Jacoby and Chestnut study, (1978, as cited in Mellens, Dekimpe, & Steenkamp, 1995). It defined that ‘the biased, behavioral response, expressed over time, by some decision making unity, with respect to one or more alternative brands out of set of such
brands, and is a function of psychological decision – making evaluative processes’. Pg. 80. Scholars like (Chaudhry, 1995; Mellens et al, 1995; Oliver, 1999; Lau & Lee 1999; Chaudhuri & Holbrook 2001; Gommanset al, 2001; Olbrich, &Windbergs, 2006; Kuusik, 2007; Suh & Yi, 2006) expand the definition to psychological and functional theory of brand loyalty.

The above Scholars tried to mention what is consumer brand loyalty in from different angles. Example they mentioned attitude, behavior, psychological and functional approaches to consumer brand loyalty. These approaches are little applied in our local environments. Consumer may be loyalty to product due to peer pressure or attitude factors. Most of consumers in Tanzania purchase products by influence of factor like price. If consumer purchases the brand by influence of low price and not the satisfaction he/she derived from the product(s) then is not easy to apply the loyalty theory. The study by Olive, 1999 mentioned three main factors that contribute to consumer brand loyalty. The factors were satisfaction, attitude and social. Social factor is one of the factors of brand loyalty in Tanzania. Some of consumers purchase products due to what others are purchasing.

To conclude, clear definition of brand loyalty is missing in Tanzania environments. Many consumers are faced with many challenges like poverty, social and economical factors.

5.3 Counterfeiting

Counterfeiting is a challenge for many countries both developed and developing countries. For example the developing country like USA is struggling to combat this problem. The study which conducted by Chaudhry et al (2005), USA is losing more than $200 billion per year. Chow, 2000, defined “counterfeit refers to the unauthorized act by one party of producing and passing off exact duplicates of authentic products with trademarks owned by another part”. (Chow, 2000: 9).

According to this study some of consumers are not aware of counterfeited brands. Lack of information and high technology cause consumers fail distinguishing between real and
fake products. Although in some cases consumers are aware of purchasing counterfeiting products.

According to literature reviewed, counterfeiting is causing problems like child labor, forced labor, tax aversion, safety and health risk. Also counterfeiting is taken as the source of fund by the organized crime or terrorists,(Bamossy & Scammon, 1985).

Although there is no clear data to show how much the government lose due to counterfeiting. But in reality government loses revenue because counterfeited products are available in the Tanzania markets. The main problems accompanied with counterfeiting are;- health risk and safety to consumers, unfair competition between the sellers of counterfeits products and genuine products, corruption and economy regression. For example in Kariakoo trading centre, the citizen have been driven out of business by Chinese traders because Chinese traders are selling counterfeited products at low prices compare to genuine.

The main sources of counterfeited products have been mention in literature like China mainland, Thailand, Taiwan, Singapore, and South Korea, (IPR, CBP, & ICE, 2011). In developing countries like USA, and European countries most of the counterfeited products are imported. In Tanzania some of counterfeiting products are manufactured in Tanzania by foreigners. This is possible due to lack of tight measures to curb counterfeiting. In places like Kariakoo selling of counterfeited products is done openly and no action is taken. In this study the main counterfeiting business is done in apparels. Most of the famous brands are sold by Chinese manufactures illegal.

5.4 The relationship between brand loyalty and counterfeiting of brands

According to the study, the findings show that there is positive correlation between brand loyalty and counterfeiting of brand. This can be explain as when the brand is purchased because of brand name, logo, symbol or mark then the rate of counterfeiting became high. Among the products mentioned as they most fulfill customers like Nike, Adidas, Sony, Nokia and Samsung are also leading in counterfeited.
Although we have seen that brand loyalty is concern with what the consumer is driven to obtain from the product like satisfying utility, (Suh & Yi, 2006), but the reality in Tanzania marketing is somehow vague. Many consumers are not considering factors like quality, style, brand reputation; they just consider what is cheap to them. Hence price seems to attract more consumers to purchase a brand.

5.5 The regulatory and control bodies

In this research regulatory and control bodies were FCC, TBS and TFDA. These bodies have given the mandate to control and implementing laws and regulations that govern the sale and manufacturing of products as well importations of safe products to consumers. Their common interest is to create, control and promote environment for business that suit both sellers and buyers. The bodies show that the problem of counterfeiting is very high in Tanzania. Seizing of counterfeits have shown in their reports. These organs have been tried to defeat the problem but still they failed. The findings show that there are no direct collaborations between these bodies to fight for counterfeiting. In order to combat counterfeiting the FCC, TFDA, and TBS have to come together with strong measures.
CHAPTER SIX
SUMMARY, CONCLUSIONS AND POLICY IMPLICATIONS

6.0 Introduction

This chapter aim to complete the study by providing summary of the study, conclusion and policy implications.

6.2 Summary of the study

This study was aiming to examine what is the existing relationship between consumer brand loyalty and counterfeiting of brand in Tanzania. Kariakoo trading centre was selected as a case study location.

In chapter one the study objective and study question was set. In addition, the chapter tries to highlight the situation of counterfeiting in the world and Tanzania in particular. The problems that arise do to counterfeiting activities and how consumers love for brands influencing counterfeiting growth. Also this chapter has introduced the research objective and research question and constraints that the researcher has faced. Lastly was the study organization.

In chapter two, literature was critically reviewed. Brand and branding concept were reviewed by looking what the different scholars have written since the brand theories were studied. The works of scholars like (Clifton et al, 2003; Kotler& Keller, 2006; Copeland, 1923; Kotler, 1988; Grewal& Levy, 2010) were reviewed to get a light in brand concept. Furthermore, the brand equity and brand loyalty theories and concept were reviewed. Lastly was counterfeiting review globally and locally. The situation of counterfeiting in Tanzania was reviewed by looking the works which have been written.

Methodology chapter presented research approaches and research design. This research was using the quantitative approaches. The researcher has provided the clear methods and setting of the study like samples and data collection tools and methods.
Findings of the study presented in chapter four, data analyzed by using SPSS. Excel software used to calculate the Karl Pearson’s correlation between two variables. Coefficient of the calculated data was 0.8, and this signified that there is positive relationship between brand loyalty and counterfeiting of brand. Also some of documented data from government bodies FCC, TBS and TFDA were used to complete the objective of the study.

6.3 Conclusion

The objective of this research was to examine the relationship between brand loyalties to brands counterfeiting. As the definition of counterfeiting stated by different scholars like (Grossman & Shapiro, 1986; Kapferer, 1995; Chaudhry& Walsh 1996; Cordell et al, 1996; Kay, 1990), is clear that without brands there is no counterfeiting. Therefore as a researcher this was reason behind this study. This study was conducted based on local markets and Kariakoo was selected as study area.

The main finding of this study was the positive relationship that existed between counterfeiting and brand loyalty. Other findings were the gender and age, and factors behind the purchase of counterfeited brands. In gender number of women who were willing to be interviewed surpasses the number of men. And the age group which has many respondents was between 15 to 35 by 52%. Among the factor behind the purchase of counterfeited products was price. Many consumers are price sensitive because of economical factor. This is another reason for the flouring of counterfeiting activities.

The significance of these findings is how to combat counterfeiting problem and how consumers can reduce this problem out of brand loyalty. In this study issue like consumer awareness, government measures and the involvement of bodies that are responsible for counterfeiting were emerged. Therefore the study will contribute in the body of knowledge by adding knowledge on how consumers contribute in the counterfeiting. Also brands seem to contain a seeds that destruct itself which is brand reputation.
6.4 Shortcomings of the research

This research faced many challenges; among the challenges were lack of funds, sample size, time and collaboration of interviewees. To interview this number of respondents the researcher needed a lot of money to hire personnel. Due to lack of fund the researcher has to conduct interview alone and it take a lot of time that could be used in doing other productive activities.

Sample size and location of the study was not enough to present the whole country. This study could be conducted in other part of Tanzania like Mwanza, Arusha and Mbeya in order to conclude country wide.

Collaboration of interviewees; some of the interviews did not show willingness to give desired details. This can lead to poor estimation of findings.

6.5 Agenda for the future research

This study constructed a link between brand loyalty and counterfeiting in Tanzania. Due to the limitations and constrains this study has faced like sample size, time and locations further research can be done by using different methods, sample and locations.

In this study locations and brands categories were not cover all counterfeited brands. Further research needed to include more brand categories like pharmaceuticals and automobiles, and hardware.

Also further research can be done by using different methods and approaches. This study was based on quantitative approach. Further research can be done by using qualitative which will provide in-depth analysis hence it can reduce biasness.

From the findings of this study; the future research can be looking for measures and laws existing if are effective in combating counterfeiting in Tanzania.

6.6 Implications of the policy
In this research finding of the study shows that counterfeiting is practiced at high rate in Tanzania. Most of the products are imported from the countries which are alleged as source of counterfeited products. As the matter of facts the authorities must be aware of the importers of these products.

In Tanzania the bodies which are dealing with the importation of goods like TRA, FCC, TBS, and TFDA are responsible for combat counterfeiting. It seems that there is some weakness in its operations that is why counterfeited products are imported. If these organs will work as a team importation of counterfeiting products will be combated. In the study some of the traders show certificates and payments of importation of goods which are counterfeited. This proves that each organ is just looking its interests only. The government should look on how to have a body which will unite all these bodies under one umbrella.

In Tanzania there is no strong body which represents the wrights of consumers. Historical background may be source because Tanzania was under socialist economy system. The government should embark on defending consumer’s wrights by engaging all concern parties from abroad and local capacity.

Also is time for the manufacturers of genuine brands to have a look in developing countries about their brands, and collaborates with the local bodies on how to deal with counterfeiting instead of neglecting these markets. Most of brands like Louis Vuitton do not look countries like Tanzania as the potential market. If they will look it in great concern they will take measures like establishing their selling centre. Also the use of authorized agencies can be more beneficial actions.

Consumer awareness; in the findings of consumers awareness in Tanzania is low as most of consumers have little knowledge about brands and counterfeiting, and some the consumers who know about counterfeits are not aware of effects of counterfeits. For example counterfeited medicine like ant malaria drugs have been grounds for health risks even death. So it could be better for consumers to be aware of counterfeited medicine. In the case like this the authority bodies should be engage in educating public about counterfeits. It has been a tendency of bodies like FCC to come up with news of seizing counterfeits but they forget to establish campaign which will engage consumers about counterfeits.
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APPENDICES

Consumer’s interview

This interview is intended to investigate the relationship between brand loyalty and brand counterfeiting. The interview was conducted in Kariakoo streets.

Part A; The interviewee details

1. Gender
   a. Male
   b. Female

2. Age.
   a. 15 to 35
   b. 35 to 55
   c. 55 and above

Part B; Brands data

1. From the categories of products below please mention the most brands you always purchase.
   a. Apparels

1. ........................................

2. ........................................

3. ........................................
b. Home electronic appliances
1. TV set
2. Iron
3. Fridge
4. Radio
5. Kettle

c. Sneakers
1
2
3
4
5

d. Perfumes
1
2
3
4
5
e. Handbags

1. ...........................................

2. .................................

3. ...........................................

4. ...........................................

5. ...........................................

2. What is the important aspects you consider when purchase a product(s)

a. Price ............

b. Quality............

c. Style............

d. Brand (name, logo, slogan...)............
Maswaliya Udahilikwa Wanunuzi

Udahili huunikwanayo autafitiilikubainiuhusianouliopokatiyaupenziwabidhaanauten genezajiwabidhaabandia. Utafitihuuumefanyikakatikaeneo la biashara Kariakoo.

Sehemuya Kwanza; Wajihiwa Msailiwa

1. Jinsia
   1. mme
   2. mke

2. Umri
   1. 15 mpaka 35.
   2. 36 mpaka 55
   3. 55 nazaidi

Sehemuya Pili; Utafitiwa Bidhaa

1. Tafadhalaiinishajina la bidhaa unayo ipendakatikamakundiyafuatayo
   a. Nguo
      i. ....
      ii. ....
      iii. ....
      iv. ....
      v. ....
b. Vifaavyamajumbani
  i. Runinga (tv set)………
  ii. Pasiyakunyoosheanguo
  iii. Jokofu
  iv. Radio

c. Viatuvya Raba …………

d. Manukato au vipodozi …………

e. Mikoba/ pochi …………

2. Wakatiwakununuabidhaanikipikatiyuvituuvifuatavyounazingatia
  a. Bei ……………
  b. Ubora ……………
  c. Jina la bidhaa/ nembo/ au alama………
  d. Ladha/ mtindo …………………
Trader’s interview

1. Which category of product you are selling?
   1. Apparels
   2. Home electric appliances
   3. Cell phones
   4. Shoes/bags

2. Can you name some of brands that are counterfeited most in your trading category? Name at least five brands
   1. ...........
   2. ...........
   3. ...........
   4. ...........
   5. ...........
Udahili wavafanyabiasharakatika eneo la Kariakoo

1. Biashara ambayo inafanywanamfanyabiashara
   1. Bidhaazanguo
   2. Vifaavyakielectroniki
   3. Simuzakiganjani
   4. Viatu / mikoba

2. Tafadhalitajajina la bidhaa ambayo inakabilwana chakauka chakwaki wangokikubwa?
   Tafadhalitajajina majini yasi opunguamatano
   1. ........
   2. ......
   3. ........
   4. ........
   5. ........