

## Counterfeiting in Hungary 2013

*extract from the survey*

The results and figures most interesting for the public can be read in this extract from the survey.

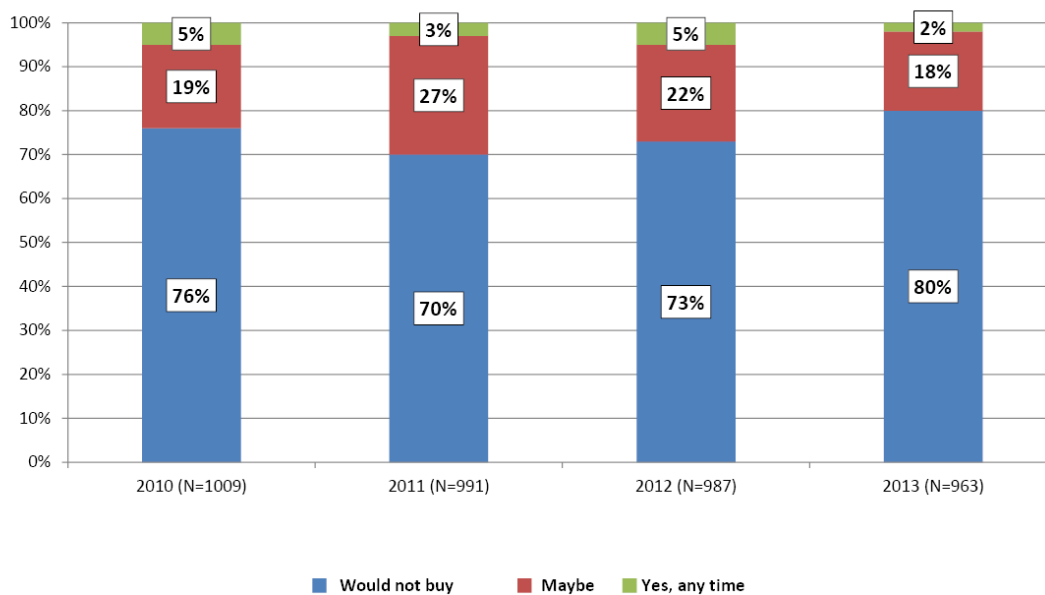
**The full study can be downloaded from the website of the National Board Against Counterfeiting:**

[http://www.hamisitasellen.hu/system/files/Kutatasi\\_jelentes\\_1.pdf](http://www.hamisitasellen.hu/system/files/Kutatasi_jelentes_1.pdf)

### Attitudes and real purchases

**In 2013 one-fifth (20%) of the people were open to buy counterfeit products.** This is an improvement compared to 27%-30% measured in the previous years.

**Would you buy counterfeit products? (between 2010 and 2013)**

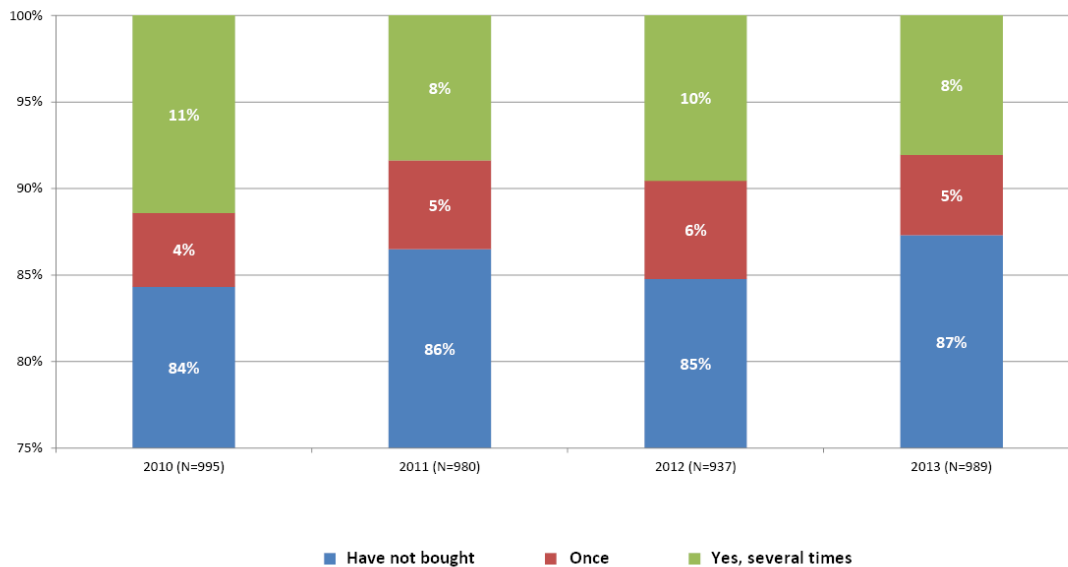


In 2013 more than half (53%) of the people **were dismissive of buying counterfeit clothing products**, but 13% of them were ready to buy such products any time. This is an improving tendency compared to 2009, because in that year only every third respondent (32%) refused to buy counterfeit clothes.

The refusal of buying counterfeit perfumes and other cosmetics is more marked than that of counterfeit clothes: in 2013 only every twentieth respondent (5%) would buy any time and every fifth respondent (20%) would perhaps buy such counterfeits. This 25% is a rather favourable figure compared to 40% measured in 2009.

In 2013 13% of the respondents stated that he/she had bought counterfeit products in the past one year.<sup>1</sup>

#### Have you bought counterfeit products? (between 2010 and 2013)



The proportion of the customers buying counterfeit products has continuously decreased, but the rate and pace are different in each product category.

Similarly to the previous years, in 2013 the most “popular” products are still **counterfeit clothes**: in 2013, 18% of the respondents bought counterfeit clothes, which is a 3% increase compared to 2012.

**Counterfeit perfumes** were bought by every twentieth respondent, which is quite a good tendency, since this is exactly half of the figure measured in 2010.

3% of the respondents bought **counterfeit CDs or DVDs**, as well as **counterfeit computer programs and software**.

In the case of product categories being most dangerous to health the proportion of customers buying **counterfeit foods** is 4%, in the case of **counterfeit medicines** the 4% measured last year fell down to 1% in 2013.

<sup>1</sup> It is important to take into consideration that these answers are based on the remembrance of the respondents, which might be modified by subjective elements, lack of information – the customer does not know that he/she has bought a counterfeit product – and the short memory. The real figures are probably a bit higher.

### Social-demographic composition of customers buying counterfeit products

The most important explanatory variable of purchasing counterfeit products is age: In the past year counterfeit products were bought in the highest proportion (29%) by young middle-aged people, which is the most active age group regarding purchasing power. People aged 31-44 are followed by young people (aged 18-30) with 25%.

Nevertheless, it is a surprise that the income conditions of the respondents do not show any significant statistical connection with their behaviour of buying counterfeit products.

In general, counterfeit products are more likely bought by the residents of the region of Central Hungary and the residents of Budapest, they are represented in every counterfeit product category above the average. This is probably due to the differences in access possibilities (there are more markets in bigger locations, and the use of Internet – and thus purchase on the Internet – is more widespread).

Less counterfeit products are bought by retired people, degree holders and the residents of the Northern Great Plain region.

**Counterfeit clothing products** are mainly bought by the residents of Central or Northern Hungary regions, who are in their 30s, being on maternity leave, and have no higher education qualifications but have very low or very high income.

In 2013 customers bought less **counterfeit perfumes** admittedly than in 2009. These counterfeit products are mainly bought by the residents of Budapest and Central Hungary, people having lower education qualifications and people under 40.

People buying **counterfeit foods** are similar to those buying counterfeit clothing products: residents of Central Hungary and Budapest, having lower education qualifications and having low or high income.

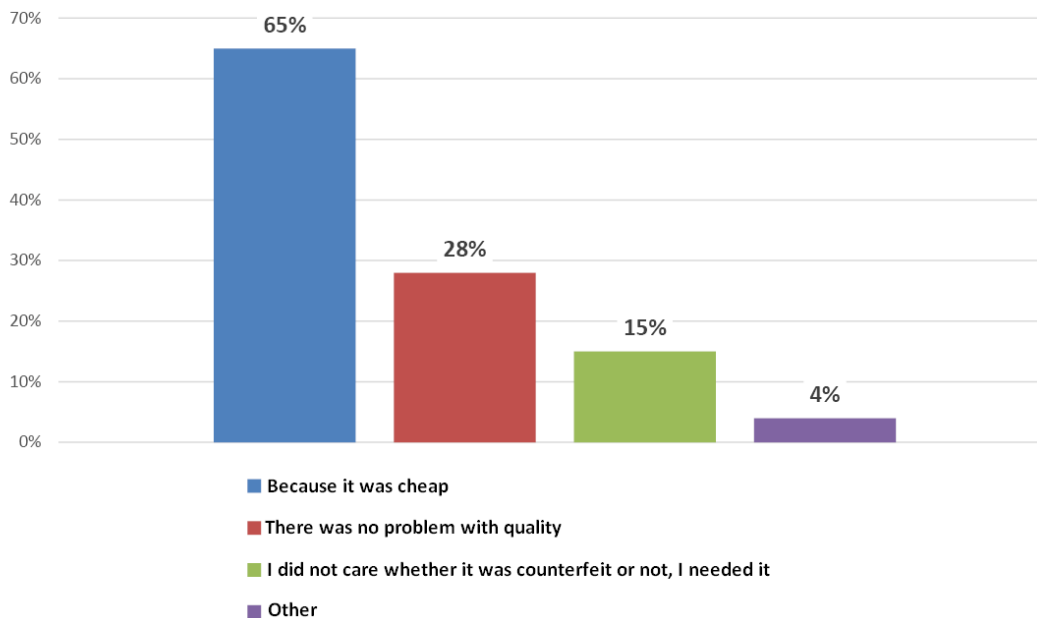
The purchase of **counterfeit CDs, DVDs and computer programs** has also decreased compared to 2009. They are typically bought by young men living in Budapest, especially students, having higher education qualifications.

### Motivations: why and where are counterfeit products bought?

In 2013 the survey also asked about the possible reasons for buying counterfeits.

For two-thirds (65%) of the people buying counterfeits the low price of the product was an important factor, according to nearly one-third of them (28%) there was no problem with the quality of the product. 15% of the respondents have also mentioned that the fact that the product was counterfeit did not influence his/her decision: he/she needed the product, so he/she bought it.

## Possible reasons for buying a counterfeit product\* (2013, N=150)



\* Since more responses could be given to the question the total of the columns may exceed 100%.

While in the case of clothing products, perfumes, CDs, DVDs and computer programs the principal **motivation** of buying the counterfeit product **was the low price**, in the case of foods or medicines the respondents chose the counterfeits because **“there was no problem with quality”**. The high figures (foods 51%, medicines 48%) show that people could also indicate, among others, this answer as a kind of self-justification.

The seemingly unconcerned approach that “I didn’t care if it was counterfeit or not, **I needed it**” was a relatively frequent answer in the case of buying CDs and DVDs.

The **place of purchase** of counterfeits is almost the same year by year: most people buy counterfeit clothes and perfumes in markets and shops.

However, it should be emphasized that the proportion of perfumes purchased on the Internet has increased: while last year the Internet was only used as a source of supply by 4% of the respondents, in 2013 every tenth respondent has indicated the worldwide web as source. This tendency can be observed in the case of counterfeit CDs and DVDs: one fifth (19%) of the respondents purchase such counterfeits on the Internet, compared to 8-9% in the previous years.

The proportions of the sources of supply of pharmaceuticals and food supplements have also changed remarkably in the past years: while earlier most people obtained counterfeit pharmaceuticals in markets, in the streets, in shops or from acquaintances, in 2013 the proportions of those who have purchased these **on the Internet** (21%) or **in gyms** (20%) have increased significantly. Only 7% of the people buy

counterfeit pharmaceuticals from acquaintances, and no respondent has indicated purchase of counterfeit pharmaceuticals in markets or in the streets in the past year. Two-thirds of the Hungarians think that the decisive majority of pharmaceuticals offered on the Internet are counterfeits. On the contrary, one-tenth of the respondents are convinced that it is secure to obtain pharmaceuticals on the Internet.

In March 2013 the NBAC launched a communication campaign in order to hold down the demand for pharmaceuticals of uncertain origin distributed on the Internet. According to the survey, 42% of the respondents have come across our messages calling attention to the dangers of counterfeiting pharmaceuticals (posters, social publicities, websites, interviews in radio and TV broadcasts or in the print media).

### **Brand loyalty and brand disloyalty**

In 2013 for almost half of the population (46%) it is not important that the clothes they wear be **branded**, one-fifth (22%), however, definitely look for branded clothes on the shelves of the shops. In addition, for 60% of the consumers, who like branded products, it is not important that the branded clothes they wear be **genuine or counterfeit**.

**Comparing the figures of the past three years** (2011, 2012 and 2013), one can see that 43% of the Hungarian consumers are insensitive of brands, that is, **brand signals on clothes are not important for them**, but if there is one on a piece of clothing, they do not check its genuineness. Here we can mention typically those having no more than elementary school education, the old people (61+), those having middle or low income, and those from the South-Danubian region.

28% of the consumers are, on the contrary, **brand loyal**. They prefer branded products and only purchase genuine models. They are typically young (18-30 years of age), degree holder men from Budapest or Central-Hungary.

Almost the same size group (27%) is made up of those who are brand disloyal but loyal to genuineness: for whom brand is not important, **but if they purchase something, it should be genuine**. They are generally young middle-aged (31-45 years of age) degree holders from the Transdanubian region or county seats.

Finally, for 2 % of the consumers it is important to wear clothes with brand signals, but they do not pay attention to genuineness: they are the typical buyers of the markets. This behaviour is rather typical of the residents of Budapest.

### **Opinions on the quality of counterfeit products**

Since 2009 there has not been any change in people's thinking about the quality of counterfeit products: in 2013, 62% think that **the quality of counterfeit products is not the same as that of the genuine ones**, but according to 15% the counterfeits have as good quality as the genuine ones. This opinion is mainly typical of the residents of Central-Hungary (26%), those having no more than elementary school education (21%) and old people aged over 61 (20%).

Since 2009, 70% of the people have thought that in the long run it is rather worth buying genuine products than counterfeits.

One-tenth (9%) of the respondents **take pride in their counterfeit products**, 21% agree with this behaviour, but 70% disapproves of it.

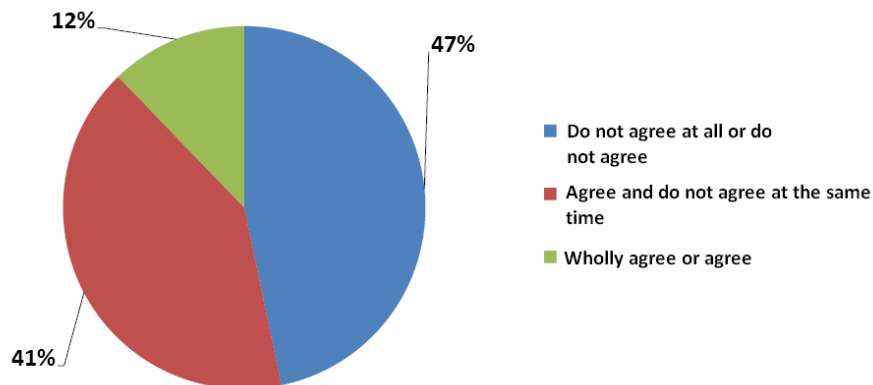
### Opinions on penalizing distributors and on the harmful effects of counterfeiting

In 2013, more than 60% of the Hungarians consider that the solution in the fight against counterfeiting is a **more frequent and more effective control of counterfeiters**. 65% of the consumers think that selling counterfeits is a crime, and 62% of the population would punish more severely the counterfeiters and the distributors of counterfeits. The most indulgent with counterfeiters are those having no more than elementary education and the young (18-30 years of age).

About half of the respondents **are not afraid of the effects of counterfeiting on consumers**; they think that counterfeits do not mean as much danger as they are warned against. However, the high ratio of the uncertain respondents (41%) reveals that people do not have definitive standpoint in the matter.

As we define more precisely the harmful effects of counterfeiting – like job losses, damage to the state budget, intensified organised crime, health risks –, the ratio of uncertain respondents decreases and they tend to have a more definitive opinion on the dangerous character of counterfeiting (55-71%).

#### Counterfeiting is not so dangerous, they just frighten with the risks (2013, N=959)



Out of ten Hungarians four think that restricting counterfeiting only serves the interests of large multinational companies, a further four cannot decide what to think about the question, and only two disapproves of the statement.

### Contents under copyright protection and the Internet

In 2013, similarly to the previous year, 81% of the Internet users interviewed have responded that they **only watched movies or listened to music from legal sources** on the Internet. Those, however, who have admittedly already visited illegal websites, tend to revisit them several times (15%).

While one-third (31%) of the young (18-30 years of age) use contents from **illegal sources**, only 13% of the middle-aged (46-64 years of age) and 9% of the old people (61+) take advantage of these illegal opportunities. Examining those who download from illegal sources one can find that, besides the young,

the residents of Budapest are also over-represented (22%), who are up the average by 5% compared to the other regions, and men are over-represented (21%) compared to women (13%).

Out of ten Hungarians only three can **decide** (or think that he/she can decide) whether the content on the Internet was posted there in a legal way or not – this has not changed since 2010. A further three cannot decide; four are uncertain about answering the question.

In 2013, out of ten Internet users six think that the **legal opportunities for downloading contents** are satisfying, however, one out of ten respondents thinks the opposite. To the question if they know any Internet sources where they can legally listen to music or download movies, 63% of the respondents said yes. Among them those are over-represented who tend to download movies or music from illegal websites (82%).

The survey has also asked about the **use of legal websites**: compared to 2012, there is no change in this respect; among those who know legal websites 70% made use of services offered by such websites in a year.

To the question why they use illegal websites, 16% of the respondents answered: because they cannot obtain these contents from other sources. In addition, more than half of the downloaders (58%) **explained the downloading** by its free nature and their own lack of money, while the others referred to its simplicity.

Half of the Internet users **would not be willing to pay** for getting legal access to contents as long as they are available free of charge; the proportion of this group has increased by almost 10 percentage points since 2010. A further 7% would not pay for downloading because they are not interested whether the content is from legal or illegal source.

### Would you be willing to pay for access to contents from legal sources on the Internet? (between 2011 and 2013)

