The Influence of Covert Narcissism on Purchasing Intention to Counterfeit Luxury Goods

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ABSTRACT: Based on the cognitive behavioral model of social anxiety and the perspective of social interaction, this paper systematically studies the mechanism that the influence of covert narcissism on the purchase intention toward counterfeit luxury goods. In this paper, it is found that, in the face of social interaction situation: the covert narcissist will have negative influence on the purchase intention of counterfeit luxury goods by generating social anxiety, and social anxiety plays a completely mediating role. The research results enrich and perfect the research related to narcissism and counterfeit luxury consumption, and provide some practical enlightenment and management suggestions for luxury brand owners and related institutions.

KEY WORD: covert narcissism, counterfeit luxury goods, social anxiety, purchase intention

I. INTRODUCTION

In recent years, with the rapid development of China's economy through reform and opening up and the impact of western individualistic cultural values, people pay more attention to themselves, showing such characteristics as self-realization and individuality. The “narcissistic economy” in the context of narcissistic culture is also born, but the current academic research on narcissistic consumption behavior is just beginning to be launched. At present, researches of domestic and foreign scholars mainly focus on the influencing factors of narcissistic individuals' consumption behavior characteristics, brand preference and purchase intention (Bellis et al., 2016; Lee and Seidle, 2012; Lambert and Desmond, 2013). But studies of narcissism and counterfeit luxury consumption are rare. Studies have shown that consumers' narcissistic tendency, conspicuous consumption and impression management will increase the consumption behavior of luxury goods (Park and Kang, 2013; Sedikides et al., 2007). Meanwhile, impression management theory believes that people will deliberately adjust their behaviors to express a more positive social image (Stebbins and Tedeschi, 1982). Baumeister and Leary (1995) suggest that positive social feedback is an important source of self-concept, which is closely related to narcissism. Therefore, the narcissistic tendency of counterfeit luxury consumption behavior needs to be further studied.

Although there are some preliminary studies (Fastoso et al., 2018; Kang and Park, 2016), the mechanism of narcissism's internal influence on the consumption of counterfeit luxury goods is still unclear. However, psychologists have divided narcissism into overt narcissism and covert narcissism (Hendin and Cheek, 1997). Although both types of narcissism show an excessive focus on the self (Wink, 1991), there are significant differences between them. Overt narcissists are more grandiose and ignore others' feelings. Covert narcissists are more sensitive and care about the evaluation of others (Miller et al., 2011; Rhodewalt and Eddings, 2002). As a typical representative of collectivism culture, China attaches importance to and attaches importance to the "relationship" society, and pays more attention to the sense of face and the evaluation of others. As a result, the degree of narcissism of Chinese people is not as obvious as that of overt narcissism, while covert narcissism is more in line with the psychological characteristics of Chinese people.

Therefore, it is of more urgent and important significance to study the internal mechanism of covert narcissism affecting the buying intention of counterfeit luxury goods in the context of Chinese culture. Based on this, this paper from the perspective of social interaction integrates the cognitive behavioral model of social anxiety. And by introducing social anxiety as a mediating variable, we conduct an empirical study on the internal mechanism of the influence that covert narcissistic consumers on the purchase intention toward counterfeit luxury goods in the context of Chinese culture. The research results are not only have great theoretical significance to improve the study of narcissistic tendency to counterfeit luxury goods consumption behavior, but also provide important practical enlightenment for luxury brand owners, governments and managers of relevant social institutions to effectively combat the proliferation of counterfeit luxury goods.
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II. BACKGROUND

2.1 Definition of narcissism

There is no unified definition of narcissism as an operator. Indeed, in early Greek mythology, a young man named Narcissus was died because he loved himself for his own reflection in water (Akhtar and Thomson, 1982). Later, Freud (2014) introduced narcissism into the field of psychoanalysis, which led to the theoretical and clinical research on narcissism in the field of psychology and medicine. Narcissism is considered as a pathological personality disorder in the clinical world. In 1980, the American Psychiatric Association classified Narcissistic Personality Disorder (NPD) as a separate type of personality disorder. In the fourth edition of the Diagnostic and Statistical Manual of Mental Disorders (DSM-IV-TR, American Psychiatric Association, 2000), NPD was described as hypercritical attitudinal behavior, unlimited fantasies of success, self-belief, need for admiration, and lack of empathy. Social psychology sees narcissism as a normal personality trait. Kang and Park (2016) define narcissism in their study as a state of mind that focuses too much on the perfect self and idolizes it. Rhodewalt and Eddings (2002) believe that narcissism links cognition, emotion and behavior together and conveys exaggerated, positive and unique self-concept. Campbell (2011) also found that narcissism has three basic components: the first is the positive self-concept, the second is the relative lack of interest in interpersonal relationship, and the third is the self-regulation strategy to maintain the positive self-concept. Narcissists are excessively self-centered. They long for a successful life and the admiration of others, have high expectations for themselves, and try to avoid external information inconsistent with their positive self-image (Pincus and Lukowitsky, 2010).

2.2 Types of narcissism

Although all narcissists exhibit a tendency toward self-appreciation and self-focus, there are significant differences in narcissism among different types. Psychologists have long divided narcissism into two types: overt narcissism and covert narcissism (Wink, 1991). Overt narcissists are called exaggerated "Warriors", who show high self-esteem, arrogance and strong pursuit of social success (Ng et al., 2011). Covert narcissists are called "Worriers", who tend to show low self-esteem and have a sense of inferiority, anxiety and greater worry about safety (Rhodewalt and Eddings, 2002). In addition, covert narcissists worry about how others will judge them, so they tend to be aggressive and defensive towards social evaluations (Hendin and Cheek, 1997). Despite these significant differences, the overt narcissists and the covert narcissists share an important unifying trait: an excessive focus on self-identification and a significant motivation for self-improvement (Twenge and Campbell, 2009).

2.3 Narcissism and counterfeit luxury consumption

Das (2015) found that consumers often highlight their self-concept and express their ideal self-image by making purchase decisions. Park (2008) also found that consumers often associate their ideal self-image with their consumption objects. Narcissists, on the other hand, often have a positive attitude towards themselves, actively create an ideal self-image and highlight their self-concept (Ackerman et al., 2011). Meanwhile, luxury goods are often associated with scarce value, excellent quality, exquisite workmanship and profound historical and cultural traditions (Bian and Forsythe, 2012). Therefore, narcissists are particularly interested in luxury brands. On the one hand, the value expression function of luxury brands can satisfy narcissists’ desire for uniqueness (Ng et al., 2020). Lee (2013) showed that narcissists showed great interest in the symbolic value of products rather than the utilitarian value, and often sacrificed the latter for the former. On the other hand, the social adjustment function of luxury brands can help narcissists improve their social status (Mandel, 2006), so as to avoid feeling ashamed when comparing with others (Twenge and Campbell, 2003). Thus, luxury brands allow narcissists to display themselves in a way they want to be seen and to win the admiration of others through conspicuous consumption. At the same time, with the improvement of production technology and the expansion of online sales channels, counterfeit luxury goods have become increasingly rampant. The existence of counterfeit luxury goods enables narcissists to meet their own needs at a lower cost, thus enabling narcissists to purchase non-deceptive counterfeit luxury goods. The latest research also found that consumers with high levels of narcissism were more likely to buy fake luxury goods more materialistic they were. However, this study fails to distinguish between overt narcissism and covert narcissism, thus ignoring the potential difference between overt narcissism and covert narcissism on counterfeit luxury consumption behavior.

III. THEORY AND HYPOTHESIS

3.1 Covert narcissism and social anxiety

Social anxiety (SA) refers to the negative emotions experienced by individuals in Social interaction situations, which have a negative impact on normal Social activities and interpersonal relationships (Boehme et al., 2015). In social interactions, socially anxious individuals constantly observe the appearance, speech and behavior of the people around them, and feel afraid of the interpersonal situation. Rapee and Heimberg (1997) proposed a cognitive behavioral model of social anxiety to explain how individuals with social anxiety perceive and process
potentially relevant evaluative information. Some scholars have also found that self-concept and social evaluation in the cognitive behavioral model of social anxiety are the causes of social anxiety. This model points out that when individuals pay too much attention to the evaluation of others, they will have anxiety (Blöte et al., 2014). Weeks and Howell (2012) also found that individuals with high levels of negative ratings of fear experienced higher levels of social anxiety. It can be said that negative evaluation fear is considered as the core feature of the cognitive behavioral model of social anxiety (Cheng, 2015).

Donald (2014) also found that people with high social anxiety showed higher self-care than those with low social anxiety. While the hidden narcissists often show extreme sensitivity, low self-esteem, the pursuit of social power and honor, and the desire for praise, they pay too much attention to themselves, and the ego is relatively weak. Individuals with a high degree of self-concern will produce a series of negative self-biased cognition, which will lead to negative and pessimistic attitude when they expect others’ evaluation (Gaydukevych and Kocovski, 2012). In particular, in social interaction situations, covert narcissists often show interpersonal sensitivity and excessively worry about others’ evaluation of them, thus showing negative evaluation fear (Weeks et al., 2008). Therefore, covert narcissists are overly concerned about themselves and fear negative comments from others in their social environment, which may exacerbate their inner worry and anxiety. Accordingly, this paper proposes the following hypothesis:

H1: Covert narcissism has a positive impact on social anxiety. That is the higher the degree of covert narcissism to bring the higher the social anxiety of consumers.

3.2 Mediating effect of social anxiety

Although consumers may not be punished by law for purchasing counterfeit luxury goods, they are more likely to face the social risk of being found to be counterfeit (Davidson et al., 2019). In the context of social interaction, when consumers are found to use counterfeit luxury goods, they may be condemned and punished by the moral code, resulting in embarrassment and anxiety (Sabini, 2000). Veloutsou and Bian (2008) have shown that the risks of buying counterfeit luxury goods may damage consumers’ self-concept. Especially for the covert narcissistic consumers, they are highly sensitive to the evaluation of others, have low self-esteem, pay great attention to their own impression management, and try to maintain good social interaction in order to obtain positive social feedback. If a covert narcissistic consumer is found to be using counterfeit luxury goods, he or she risks being judged negatively by others, thus generating social anxiety. According to the risk perception theory, consumers will actively avoid the risk perception and negative cognitive emotions generated in the purchase behavior, and then adjust the purchase behavior and attitude. Bian and Moutinho (2009) also study that the social risks of being caught wearing fake Rolex and Gucci watches can negatively impact their willingness to buy fake luxury goods. Therefore, while paying attention to the perceived value brought by counterfeit luxury goods, covert narcissistic consumers also pay more attention to and avoid perceived risks. Meanwhile, narcissism theory and avoidance motivation theory also point out that narcissistic individuals maintain or regulate self-esteem and self-cognition through various self-defense or promotion mechanisms (Foster and Trimm, 2018). When perceiving social anxiety, the distinct avoidance motivation of the covert narcissists may translate into self-regulatory behavior. Namely, covert narcissists give up the purchase of counterfeit luxuries, thus protecting the fragile and unstable ego from further destruction. The expected regret theory also indicates that consumers’ expectation of negative results will also reduce their purchase behavior of counterfeit luxury goods (Chen et al., 2015). Therefore, this paper proposes the following hypothesis:

H2: Social anxiety negatively affects the willingness to purchase counterfeit luxury goods. Moreover, when social anxiety as an mediation, covert narcissism will have a negative impact on the willingness to purchase counterfeit luxury goods.

Figure 1. Research framework

IV. METHODOLOGY

The purpose of this study is to test the influence of covert narcissists on the purchase intention of counterfeit luxury goods in the context of social interaction by introducing social anxiety as a mediating variable, that is, to verify hypothesis H1 and H2. Using the experimental design method, 283 subjects were recruited through an online research platform for experimental research. 38 invalid questionnaires (filled in too soon or not carefully) were eliminated, and 245 valid data were obtained, with a recovery efficiency of 86.57%. Among them, there are 72 male students and 173 female students, most of whom are under the age of 25, and 52.25% of the annual household income is between 110,000 and 250,000.
4.1 Experimental process

The experiment was completed by questionnaire. The subjects were first shown the consumption situation of counterfeit luxury goods and asked to answer the questions about their intention to buy the products, then they were asked to answer the questions about social anxiety and finally completed the questions about implicit narcissism and demographic information.

This article uses handbags as test products. In the consumption scenario, the subjects were described as having a luxury handbag that they have been dreaming of for a long time, and at the same time, they found a counterfeit handbag of the same luxury brand on an e-commerce platform. In the social context, the subjects were described as imagining they had already chosen to buy the fake luxury handbag and carrying it to a shopping mall with friends on a particular day.

4.2 Measurement of variables

In this paper, all variables refer to the maturity scales of relevant scholars at home and abroad, and have good reliability and validity. Likert 7 scale was used for the measurement items of all variables. 1 means strongly disagree and 7 means strongly agree.

**Purchase Intention.** Referring to Dodds (1991) and other relevant studies, this paper adopts three questions to measure consumers' future purchase intention of counterfeit luxury goods, such as "I am interested in buying counterfeit luxury goods", "I want to own counterfeit luxury goods", etc.

**Covert narcissism.** Based on Hendin (1997), this paper adopts 10 questions to measure the degree of covert narcissism of consumers, such as "I tend to focus on my own interests and forget the existence of others", "the remarks made by others with ridicule or contempt always hurt my feelings", etc.

**Social anxiety.** In this paper, based on the relevant studies of Leary (1983) and Wang (2019), three questions were used to measure the social anxiety of consumers, such as "I am very worried that people will find out that The luxury goods I am carrying are counterfeit", "If people see me carrying counterfeit luxury goods, I am afraid that people will have negative comments on me", etc.

**Control variables.** According to relevant studies on luxury consumption, consumers' gender, income and other personal characteristics will have an impact on consumers' purchase intention. Therefore, this paper takes consumers' gender, age, annual household income, education level and luxury or counterfeit luxury purchase experience as control variables.

4.3 Reliability and validity test

In this study, the reliability of each variable was evaluated mainly through its internal consistency. The Cronbach's coefficient of each latent variable in the model in this study was all higher than the threshold value of 0.7, and the combined reliability (CR) value was all greater than 0.7, indicating that the scale had good internal consistency and good reliability.

In addition, the structural validity, convergence validity and discriminant validity of each latent variable were tested by confirmatory factor analysis (CFA). The test results showed that \( \chi^2/df \) was less than 3, NFI, RFI, IFI, CFI and TLI values were all greater than 0.9, and RMSEA values were less than 0.05, indicating that each variable had good structural validity. At the same time, the factor loading values of all items were greater than 0.6, and the average extracted variation (AVE) of all variables was above the threshold value of 0.5. This indicates that each variable has a good convergence validity. Finally, in terms of discriminant validity, the square root of AVE value of each latent variable in this study is greater than the correlation coefficient with other variables, indicating that each variable in this study has good discriminant validity.

4.4 Experimental results

In this study, model 4 of SPSS macroscope-Process program was selected, the sample size was set to 5000, and the confidence level was set to 95%. Bootstrap method was used to test the mediating effect between covert narcissism, social anxiety and willingness to purchase counterfeit luxury goods. The test results are shown in Table 1.

<table>
<thead>
<tr>
<th>Paths</th>
<th>Estimate</th>
<th>SE</th>
<th>CI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Effect</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Covert Narcissism ( \rightarrow ) Purchase Intention</td>
<td>-0.236</td>
<td>0.155</td>
<td>-0.542, 0.068</td>
</tr>
<tr>
<td>Direct Effect</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Covert Narcissism ( \rightarrow ) Social Anxiety</td>
<td>0.438***</td>
<td>0.125</td>
<td>0.190, 0.686</td>
</tr>
</tbody>
</table>

Table 1. Mediating effect of social anxiety

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<table>
<thead>
<tr>
<th>Social anxiety → Purchase Intention</th>
<th>-0.322***</th>
<th>0.077</th>
<th>-0.474, -0.170</th>
</tr>
</thead>
<tbody>
<tr>
<td>Covert Narcissism → Purchase Intention</td>
<td>-0.095</td>
<td>0.153</td>
<td>-0.398, 0.207</td>
</tr>
<tr>
<td><strong>Indirect Effect</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Covert Narcissism → Social Anxiety → Purchase Intention</td>
<td>-0.141**</td>
<td>0.075</td>
<td>-0.314, -0.027</td>
</tr>
</tbody>
</table>

Notes: Unstandardized estimates are reported. SE: Standard error; CI: 95% confidence intervals; ***p < 0.001; **p < 0.01; *p < 0.05;

As can be seen from Table 1, there is a significant positive relationship between covert narcissism and social anxiety ($\beta$=0.438, $p < 0.001$). Hypothesis H1 has been verified, that is, covert narcissism positively affects social anxiety, that is, the higher the degree of covert narcissism, the higher the social anxiety of consumers. In addition, there was a significant negative relationship between social anxiety and willingness to purchase counterfeit luxury goods ($\beta$=-0.322, $p < 0.001$), assuming that the first half of H2 was verified.

At the same time, according to table 1 mediation effect of social anxiety on test results, under the 95% confidence level, the social anxiety in covert narcissism and counterfeit luxury goods purchase intention between the intermediary effect value of 0.141, and the confidence interval for [-0.314, -0.027], the confidence interval does not contain zero. It shows that social anxiety to covert narcissism and counterfeit luxury goods purchase intention of intermediary effect significantly. Namely when social anxiety as intermediary, covert narcissism consumers purchase intention of counterfeit luxury have significant negative impact, assuming that the second half of the H2 verified, namely overall supported the hypothesis of H2.

V. CONCLUSION AND DISCUSSION

Based on the perspective of social interaction, this paper conducts an empirical test on the theoretical model between covert narcissism, social anxiety and willingness to purchase counterfeit luxury goods. The results show that covert narcissism positively affects social anxiety, that is, the higher the degree of covert narcissism, the higher the social anxiety of consumers. Moreover, social anxiety negatively affects the willingness to purchase counterfeit luxury goods, and when social anxiety as an intermediary, covert narcissism has a negative impact on the willingness to purchase counterfeit luxury goods.

5.1 Theoretical contribution

Theoretical contribution of this paper lies in: first, previous studies have less narcissistic on counterfeit luxury goods consumption behavior. And the influence of most major will study narcissistic as a single type, although a few studies to subdivide the narcissism to covert narcissistic and overt narcissism is discussed. But the mechanism is not clear, and there are some limitations. Under the background of Chinese collectivism culture, this study focuses on exploring the covert narcissism of fake luxury goods purchase intention and the effect of cognitive behavioral model based on social anxiety at the same time. It further verified the mechanism of supplementary blanket in the research of previous scholars, and further enrich the narcissism and counterfeit luxury goods consumption in the related research. Secondly, based on the perspective of social interaction, this study embedded the subjects into the social interaction scene, fully exploring the impact of social anxiety on the consumption behavior of the implicit narcissists. It provides an adequate explanation for whether the implicit narcissists will buy fake luxuries, which makes the research results of this paper more real and interesting. Finally, most of the previous studies on narcissism have focused on western culture. And based on the cultural background of Chinese collectivism, this paper studies the covert narcissism consumer group that is more in line with the psychological characteristics of Chinese population, which makes a certain supplement to the research on narcissism in different cultural backgrounds.

5.2 Managerial implications

This paper has important practical significance. First, for the brand managers of luxury enterprises, the results of this study can be mastered to take targeted strategies to reduce the willingness of Chinese implicit narcissistic consumers to buy counterfeit luxury goods, and guide consumers to buy authentic goods. It is suggested that luxury brand marketers should design separate brand strategies for both covert narcissistic and covert narcissists. Second, anti-counterfeiting advertisements can also be designed in a targeted way to increase the social anxiety of being caught using counterfeit products. More obvious mechanisms can also be implemented to detect counterfeit products, so that individuals can be convinced that others can easily identify counterfeit products, which has important practical significance for curbing the consumption of counterfeit products. Finally, for the government, this study provides a new perspective for the government to make public policies to combat the counterfeiting of luxury goods, thus enhancing the efforts to combat the counterfeiting of luxury goods, and
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contributing to the formation of a healthy luxury consumption market in China and even the world. Specifically, consumption ethics can be strengthened through public service advertisements to form a social atmosphere in which buying fake goods is shameful. Meanwhile, laws and regulations can be improved to forcefully crack down on fake purchasing behaviors.

5.3 Limitations and future research directions

There are some deficiencies in this study, which can be further studied in the future. First of all, the research objects selected in this paper have certain limitations. The object of this study is luxury handbags which chosen because they are the most widely counterfeits. Future research could expand into other types of counterfeit luxury goods, such as watches, sunglasses, and electronics. Secondly, this paper only takes the covert narcissistic consumers as the research object, and the subsequent research can carry out relevant research on the covert narcissistic consumers, so as to further enrich the research on the consumption behavior of narcissistic consumers to imitate luxury goods. Finally, this study only focuses on the covert narcissism and counterfeit luxury consumption. The design of this study does not consider the moderating variables, which is also one of the limitations of this study. In subsequent studies, the moderating variables such as product showiness and imitation identification can be added to more comprehensively study the impact of narcissistic traits on counterfeit luxury consumption.

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