International Review of Social Sciences and Humanities
Vol. 2, No. 1 (2011), pp. 26-36
www.irssh.com
ISSN 2248-9010 (Online), ISSN 2250-0715 (Print)

Low Quality Products in Developing Countries' Markets: Is it one of globalization challenges?

Ashatu Hussein
(Corresponding Author)
Institute of Development Studies
Mzumbe University
P.O. Box 83,
Mzumbe
e-mail: ahussein@mzumbe.ac.tz

Muhajir Kachwamba
Faculty of Social Science,
Mzumbe University
P.O. Box 32,
Mzumbe
e-mail: makachwamba@mzumbe.ac.tz

Abstract

Despite advancement in technologies in our competitive global world and increasing consumer protectionism both at macro and mezzo levels; availability of low quality products in developing countries' markets is still a problem. With increasing globalization, markets have become competitive and firms struggle for dominant positions in the markets. Within this game, consumers become victims of the outcome in both product safety and quality due to unfair competition. The marketing of low quality products in developing countries has become widespread and consequently leading to both deaths and economic disastrous of consumers through loosing their money and properties. Empirical observations have shown that there may be more bogus than genuine products in circulation in developing countries' markets. The research question that needs to be answered theoretically and empirically is "is availability of low quality products in developing countries' market one of the globalization challenges?" This paper focuses on discussing this question together with searching for other possible explanations for the availability of low quality products in developing countries' markets.

Keywords: globalization, low quality products, counterfeit products, developing countries, markets

1. Introduction

With increasing opening up of economies and globalization in general, markets have become competitive and firms struggle for dominant positions in the markets. Within this game, consumers become victims of the outcome in both product safety and quality due to unfair competition (Kanouté, 2005). Consumers are the victims of these unfair competitions both directly and indirectly. Indirectly consumers pay the costs of counterfeiting and low quality products through higher prices necessitated by brand owners' expenditures on trademark protection. Directly consumers bear the cost in the form of dissatisfaction with counterfeit and low quality products, personal injury from the awful low quality products, and confusion regarding their own place in the market (Bamossy & Scammon, 1985). Marketing of low quality products in developing countries has become widespread and consequently leading to both deaths and economic disastrous of consumers through loosing their money and properties. Empirical observations have shown that there may be more bogus than genuine products in circulation in developing countries' markets (Osibo, 1998). Factors that contribute to the availability of low quality products in these markets range from both political and socio-economic factors.

The global media is flooded with news on harmful and low quality products in several markets. Recently cases of 84 deaths of children in Nigeria due to harmful teething pain drugs and melamine milk scandal which left 6 children dead and other 300,000 sickened are examples that shade the magnitude of the problem. Tanzanian consumers are among the victims of unfair competition from scandalous marketers who maximize profits at the expense of consumers' lives. For example, the market for Electrical goods in Tanzania has been said to offer some dangerous imported low quality products which have resulted into deaths and destroying properties on the consumers' side. According to the Confederation of Tanzania Industries as reported by Mwita, (2008) ; Tanzania lost about 4 trillion Tanzanian shillings for the year 2008 due to imported counterfeit and low quality products which include among others the electrical goods such as electrical switches, electrical cables, power extension cords, power stabilizers, sockets, plugs and junction boxes.

Most products possess some unobservable or intrinsic attribute which make consumers' evaluation before purchase more difficult. With the market being flooded with counterfeit goods looking similar to original products in terms of extrinsic attributes; consumers are exposed to persistent high risks as the following quotation explains;

"Counterfeit and substandard industrial products continued to flood the Tanzania's domestic market in the year 2008, causing diseases and deaths. In fact, the year saw illegally manufactured, fake and substandard products increase from about 35 to 40 per cent of all goods in the local market[1]".

With globalization where economic actors can move from one country to another transferring both explicit and tacit knowledge at a very minimal cost, it has been easier for counterfeiters to produce and supply low quality products thus limiting development and genuine innovations in developing countries' markets. In this regard, it is very difficult to acknowledge exactly where the sources of the substandard products in these markets are. For the development and marketing scholars, these cases alarms for in-depth investigation and explanations. However, to our knowledge from the reviewed literature, there are limited studies that have dealt with this problem especially on the developing countries context. In this regard, there are little theoretical underpinnings behind this and no empirical researches that have conducted especially on developing countries context with the globalization-low quality products paradigm. In responding to this challenge, this paper tries to search for answers on the following two major challenging questions;

1. Is availability of low quality products in developing countries' markets one of the challenges of globalization?
2. Are there any other reasons apart from globalization for the availability of low quality products in developing countries' markets?

This theoretical paper discusses the contribution of globalization in this challenge by taking into considerations some features that characterizes developing countries that can be

[1] http://dailynews.habarileo.co.tz/columnist/index.php?id=9185 accessed on 25th February 2009

considered as the driving force. Inclusion of globalization as one of the explanatory variables that explain the existence of low quality products in developing countries' markets in this paper is considered to be a significant contribution to the literature. This is due to the fact that most studies that have dealt with counterfeit and low quality products have focused only on the marketing explanatory variables to this challenge. From its detrimental effects to both socio-economic developments of people and society at large, authors find it imperative to consider other factors that can help explain this challenge apart from marketing factors. This is "globalization". Together with globalization, this paper discusses four marketing factors which are considered as the challenges developing countries face towards enjoying the benefits of globalization. These factors on the other hand, are considered as one of the explanatory variables to the availability of low quality products in developing countries' markets that further hamper development in local communities and countries in particular. These are institutions, structure of distribution channels, asymmetric information, and consumer purchasing power.

2. Theoretical Conceptualization

2. 1 How globalization contributes to this problem?

Globalization is a multifaceted concept and due to its complexity, it has been widely abused in the popular and academic press. Considering its versatility several authors have presented various definitions comprising several interrelated concepts. Globalization is defined as the process of increasing social and cultural inter-connectedness, economic and political interdependence and financial and market integrations (Eden et al, 2001 & Molle, 2002). Accordingly, Stiglitz (2002) defines globalization as closer integration of countries and peoples of the world which has been brought about by the enormous reduction of transportation and communication costs, and the breaking down of artificial barriers affecting the flows of goods, services, capital, knowledge and (to a lesser extent) people across borders. In this respect; the accustomed differences in national or regional preferences diminish to a large extent, which results to the situation where the world is experiencing the homogenized customers from both developed and developing economies.

In addition with the two definitions pointed out above, in this paper globalization will be referred to economic globalization, which refers to the increasing cross-border interdependence and integration of production and markets of goods and services. In this regards, the whole process of economic globalization leads to the expansion of international transactions and to a deepening of the interdependence between the actions of economic actors located in various parts of the world (Narula & Dunning, 1998). Globalization of markets is one of the dominant changes in the world economy over the recent decades (Bartlett & Ghoshal, 2000; Levitt, 1984; Yip, 1992) . Hence, goods and services are flowing from all over the world as the artificial barriers affecting the flow of these commodities in the globally world have been reduced or completely removed in some parts of the world.

As noted earlier, one of the features of globalization is economic and political transformations. Economic transformation involves among others reducing both government ownership of production and regulation of economic activities that includes imports, exports and foreign investment. In this era of globalization most countries that embraced socialist economy most of them LDCs have transformed their economy into a liberalized economy. This is what has been termed as the era when the world has embraced the 'renaissance of democratic capitalism' by Hogenbirk and Narula, (1999). Moving from a government controlled-economy to a free-market economy is featured by trade liberalization, market-based pricing, increased foreign investment, convertible domestic currency, and privatization of business (Koves & Marer, 1991). Each of these characteristics of free market and a globalized economy has impacts on the flow of goods and services to and from these countries as reduction of government control over pricing is assumed to make the market efficient (Raiklin & Yousef, 1994).

In the similar vein, trade liberalization is thought to increase competitiveness of domestic firms together with the foreign firms that enter these economies (Bloomen & Petrov, 1994; Koves &Marer, 1991). Entering of foreign firms both through FDI and other methods of foreign entry introduces new technologies, innovations on all aspects of life that comprises knowledge on marketing management and business management which further foster development of the local communities. Similarly, foreign investment which is one of the benefits of globalization creates employment opportunities for the indigenous communities and hence increases chance of development. This gives support to the argument that opening up of the economy has significant impact to any country's economic development.

However, for countries to reap these benefits of globalization, they need to have well structured institutions that will govern the complex process of integrating and interacting with the whole world. Opening up of the economy signifies the increase in interactions of businesses both domestic and foreign businesses; as Yamin (1997) points out that increased risk to businesses, their owners and customers is one of the drawbacks of government deregulations. Changing the structure of the economy from controlled to free economy has influences on the ways business firms and companies are operating through changing the effect of the market forces and the emergence of different set of checks and balances. Entering free economy posses a significant challenge to both policy makers and practitioners in LDCs as attracting foreign investors in the economy involves the introduction of new importing and marketing practices which management is unfamiliar (Bloomen & Petrove, 1994).

With enormous reduction of transportation and communication costs, and the breaking down of artificial barriers affecting the flows of goods, services, knowledge and to certain point people across borders have significant implications on the availability of low quality products in developing countries' markets. This is due to the fact that a large amount of goods are flowing to these markets and it has been pointed out by various authors that there is a big problem for the marketing infrastructures in these countries. In developing countries there is poor and weak protection of intellectual property rights (Gancia & Bonfiglioli, 2008) which gives a window of opportunity to counterfeiters to produce and supply low standard products in these markets. This can be supported by the self-destruction thesis which posits that market undermines the social preferences that are essential for markets to function well especially when economic actors find loop holes.

With globalization where economic actors can move from one country to another transferring both explicit and tacit knowledge at a very minimal cost, it has been easier for counterfeiters to produce and supply low quality products thus limiting development and genuine innovations in developing countries markets. Layard points out that flexibility and geographical mobility which is one of the features of globalization increase family break-up and criminality and further reduce mutual trust in societies (Layard, 2003). Nevertheless, the question that needs to be answered is that, why only availability of low quality products is the major problem in developing countries? This question necessitates us to go further in thinking and reviewing previous empirical and theoretical works of various authors and thus, come out with a list of factors that together with globalization contributes to this developmental problem as discussed in the following sections.

2.2 Institutions

Voluntary exchange is the core idea underlying marketing. Hence the essence of marketing relates to the structuring and organizing of the exchanges between marketing parties i.e. buyer-seller relationship) (Arndt, 1983). The task of marketing is to workout acceptable *"exchange ratios"* for the various interest groups, in this paper referred to marketers and customers whom the latter give time, money, trust and fabricated parts "legitimacy" and in return receive finished products, sense of self satisfaction (Arndt, 1979). However, there is always a regulatory role to be played in the markets for this exchange ratio to be balanced. Regulation is the basis for guaranteeing the security of the market, which is the classical realm for formulating institutions on consumer protection (Kanoute, 2005). Benign institutions result into efficiency and effectiveness in regulatory bodies which bring healthier competition to markets, which further bring lower priced and better-quality goods to the market place. Institutions create a governance structure in which organizations perform ongoing activities (Williamson, 1985).

"Institutions are the humanly devised constraints that structure political, economic and social interactions. They consist of both informal constraints, and formal rules. Institutions have been devised by human beings to create order and reduce uncertainty in exchange"[2].

Different countries have developed institutions to protect both marketers' and customers' interests in the buyer-seller relationship. Some of these institutions are competition commissions, regulatory agencies and consumer organizations. These are being created in countries around the world in order to: develop free and fair competition, guarantee the quality of products and services, ensure consumer safety, and protect the economic interests of consumers. Nevertheless, regulatory bodies in developing countries have not been able to fulfill these objectives. Reasons for this include: insufficient technical and material resources, ineffective application, poor communication between regulatory bodies and consumer organizations and lack of independence. In most developing countries the necessary resources to exert these new statues for protecting both consumers and producers are non-existent (WHO, 1995) .

Many developing countries do not have specific laws that address the issue of product counterfeiting and availability of low quality products in these countries' markets. While those countries that have established specific institutions to deal with this drastic problem in the face of consumers and legitimate manufacturers typically have nominal penalties for violations and very lax attitudes regarding enforcement (Bamossy & Scammon, 1985).The establishment of competition and consumer protection policies in Africa is in its infancy, although it is growing steadily. In the last two decades, an increasing number of African countries have adopted economic reform policies that place greater reliance on market forces and less emphasis on government intervention and control (Kanoute, 2005). There is a need for the governments to put in place a mechanism to enhance the enforcement of standards and laws in the work of massive circulation of low-quality products in the country since institutions that protect both marketers and customers are quite new in developing countries (Kisembo, 2008).

As pointed out earlier, within the globally world there are increases in international interactions especially in transactions and thus, countries are experiencing new and unfamiliar techniques of marketers from around the world. This has resulted into attractions of both legitimate and illegal marketers in these markets taking into considerations that there are huge demands in these markets. Having enormous numbers of marketers necessitates policy markers and governments in general to review and put in place human devised mechanisms that will shape these interactions. Attracting and accommodating various international marketers requires also a country to have a well established distribution channels so as to monitor their interactions in these markets. Distribution channels in developing countries have been acknowledged by various scholars as one of the factors that contribute to the availability of low quality products in these markets. Next section highlights the contributions of distribution channels in this global challenge.

2.3 Unstructured Distribution Channels

A distribution channel can be defined as a "set of institutions which performs all of the functions needed to move a product and its title from production to the final consumer" (Bucklin, 1966) . With immense global marketers, a country needs to have a well established and structured distribution channels towards monitoring their operations for the benefits of marketers, final users and economic development of a country. Socio-economic development

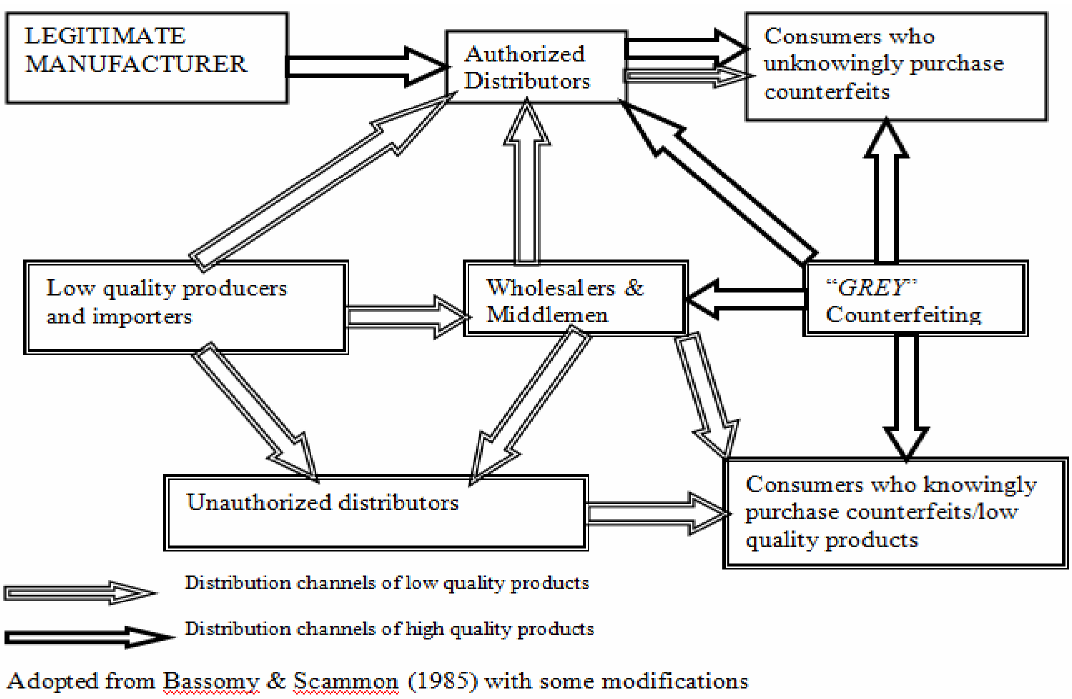
[2] North, D (1991) Institutions. Journal of Economic Perspectives. Vol. 5(1), Pp. 97-112

of any society has significant influence on the structure and efficiency of a distribution channel (Zhang et al., 2002). Basic function of distribution channels are flow of products and information from the manufacturer to the intended final consumer, in this regards distributional channels play an important role in linking between manufacturers and final users. However, in the world there exist two types of distributional channels, these are authorized and unauthorized distributional channels which both of them play the same role of making sure that final consumer receive products.

The issue next is which type of products they supply and distribute to the final users? In responding to this question Bamossy & Scammon, (1985) highlight that authorized distributional channels (i.e. wholesalers and retailers) supplies both legitimate and low quality products. However, within this group there are those channel members that would not intentionally distribute low quality products due to difficulties in identifying between the legitimate and low quality products. On the other hand there are some of the distributional channel members who deal with this activity with intent which implies that they know that they are distributing low quality products at the expense of the legitimate manufacturers; here arises ethical dilemmas on the side of these distributors. The same happens to unauthorized distribution channel members though on this side they feel that they have less responsibility since they are not recognized legally by the legitimate manufacturers. Figure 1 portrays how distribution channels both authorized and unauthorized contribute to the availability of low quality products in different markets.

As depicted in Figure 1 distribution channels represents an important and complex area that contributes to the availability of low quality products in different parts of the world. This represents the need of having a well structured distribution channels towards countering the problems of low quality products. However, in many developing nations, there exist highly fragmented channels of distribution which facilitates the easy circulation of low quality products (Bamossy & Scammon, 1985). With global marketers coming from all over the world, this fragmented nature of the channel makes it difficult to plan, implement, and coordinate distribution channels in developing countries, hence increases the possibility of low quality products find a way to survive in these markets.

Figure 1: Distribution Channels & its contributions to low quality products in markets



Samiee, (1993) identified five important features that differentiate developing countries' distributional channel structures from that of the developed economies. These are; channel fragmentation which is characterized by numerous channel members most of them characterized with short-term profit objectives (Dunn, 1979; Malhotra, 1986; Stern and El-Ansary, 1988 in Samee, 1993). This leads to parties in the whole distribution channel be engaged in sporadic importing or seeking alternative supply sources (Cateora, 1987; Goldman, 1981 in Samiee, 1993) which increases a risk of engaging into untrustworthy or illegal suppliers thus facilitates distribution and availability of low quality products in developing countries' markets. Secondly, long and inefficient distribution channels, limited working capital and managerial resources are some of the problems that face developing economies' markets due to low economic development that characterize these countries (Samiee, 1993). In this respect with enormous number of global and local marketers it is difficult for the consumers to trace back and know exactly who the illegitimate marketers are.
The third feature is the relative importance, role, and power of some intermediaries who may be small in size, specialized by product line, region and customers. The fourth feature is that, developing countries distribution channels are characterized by informal basis of credit provision to retailers by suppliers and to customers by retailers; (Bello and Dahringer, 1985). This form of credit provision presents the issue of developing trust between the two parts and hence unethical suppliers could use this loop hole in distributing and supplying low quality products in developing countries markets. Lastly, lack of adequate channel communications infrastructure which necessitates marketers to be both suppliers and communication media (Cateora, 1983; Goldman, 1981). In this regards, for disloyal marketers it is easy to brand their products and give wrong information to consumers, since these markets also are characterized by information asymmetry as discussed in the next section.

2.4 Information asymmetry

One of the critical components of the exchange process is information about the goods and services exchanged in the market. Information plays an important role in the development of markets (Moorman, Du, & Mela, 2005). Information primarily contains both unobservable quality of the products and services exchanged and the reliability and qualifications of the manufacturers and sellers that explain these market offerings. However, in the buyer-seller relationship, marketers have more information about the object of exchange than their counterparts potential buyers do (Mascarenhas, Kesavan, & Bernacchi, 2008). This is what termed as information asymmetry in most marketing and business books. Information asymmetry occurs when two or more parties in a given exchange relationship do not possess nor exchange the same quantity and quality of information (Mascarenhas et al. 2008). Many marketing exchanges are characterized by information asymmetry between sellers and customers. This situation leads customers to be exposed with both adverse selection and moral hazard problems that involve, respectively, uncertainty about supplier characteristics and the risk of quality cheating (Mishra, Heide, & Stanton, 1998).
The unevenness of information in marketplace leaves consumers at a disadvantage position in terms of information about quality & reliability of products and negotiating power. Full information is one of the necessary conditions for the perfect competitive markets. However, most markets in developing countries are characterized by information asymmetry which hinder consumers access to reliable information (Kanoute, 2005) . "*Dishonesty in business is a serious problem in underdeveloped countries*" (Akerlof, 1970). With countries' markets being characterized with vast number of international marketers, it is very difficult for the final consumers to distinguish the low quality products and the genuine ones.
Hence, the information asymmetry problem plays a major role in the availability of low quality products in developing countries' markets as deceitful marketers make use of this challenge in cheating their customers and make profits. In the face of products' counterfeit, vast number of global marketers and information asymmetry that characterize markets in developing countries, it is very difficult for customers to distinguish the adulterated from

unadulterated products. The inequality of information between marketers (manufacturers, services providers, brokers, intermediaries, distributors, sellers, and dealers) and customers as end users play a huge role for the existence of low quality products in developing countries.

2.5 Consumer purchasing power

Economic development of a country and its people has a significant contribution on the availability of low quality products in various parts of the world market. Despite the fact that selling and producing low quality products that results into both socio-economic detrimental effects are considered to be crimes in many countries in the world today, past research suggests that about one-third of consumers would knowingly purchase these goods (c.f. Phau, Prendergast and Chuen, 2001; Tom, Garibaldi, Zeng and Pilcher, 1998). Consumer plays an important role in trade of low quality products and willing consumer participation is in evidence worldwide, from shopping malls in big cities in developed world to small markets in rural villages in developing world. Several researchers argue that consumers demand for low quality products is one of the reasons for the existence and rise of these products in different markets (Gentry, Putrevu, Shultz and Commuri, 2001; Bamossy and Scammon, 1985). These type of consumers are termed as non-deceptive consumers due to the fact that the low price and place of sale leaves little doubt about the quality of the product.

The question next is why demand for low quality products exist despite the harmful effects of these products to customers? Responding to this question Poddar, (2005) argue that low quality products survive in the area where income gap of the potential customers is high. The demand for low quality products exists in those areas where customers feel that these products offer good value for their money. Low quality products are superior on value for money compared to genuine articles since most customers feel that they are getting prestige without paying for it (Bloch et al., 1993). This is due to the fact that, most fake and low quality products represent a value for money at some discount to the genuine product's normal price (Cordell, Wongtada, & Kieschnick, 1996). Economic theory suggests that consumers tend to select products that maximize utility/benefits. With low income; customers are left with no choice rather than go for the low quality products that go with their economic status towards matching what they give and what they receive.

In the same vein, Holm, (2003) found a strong negative relationship between income and demand for the low quality products. This implies that, for marketers that do not intend to deceive their customers, position themselves on the basis of having price that is lower than the genuine products (Coedell et al., 1996). Some researchers argue that sellers of low quality products are good marketers because they have found a need and are finding a way to fulfill it (Arellano, 1994; MacDonald & Roberts, 1994). In this regards, in some instances the main purpose of selling fake and low quality products does not seem to deceive consumers but to satisfy them.

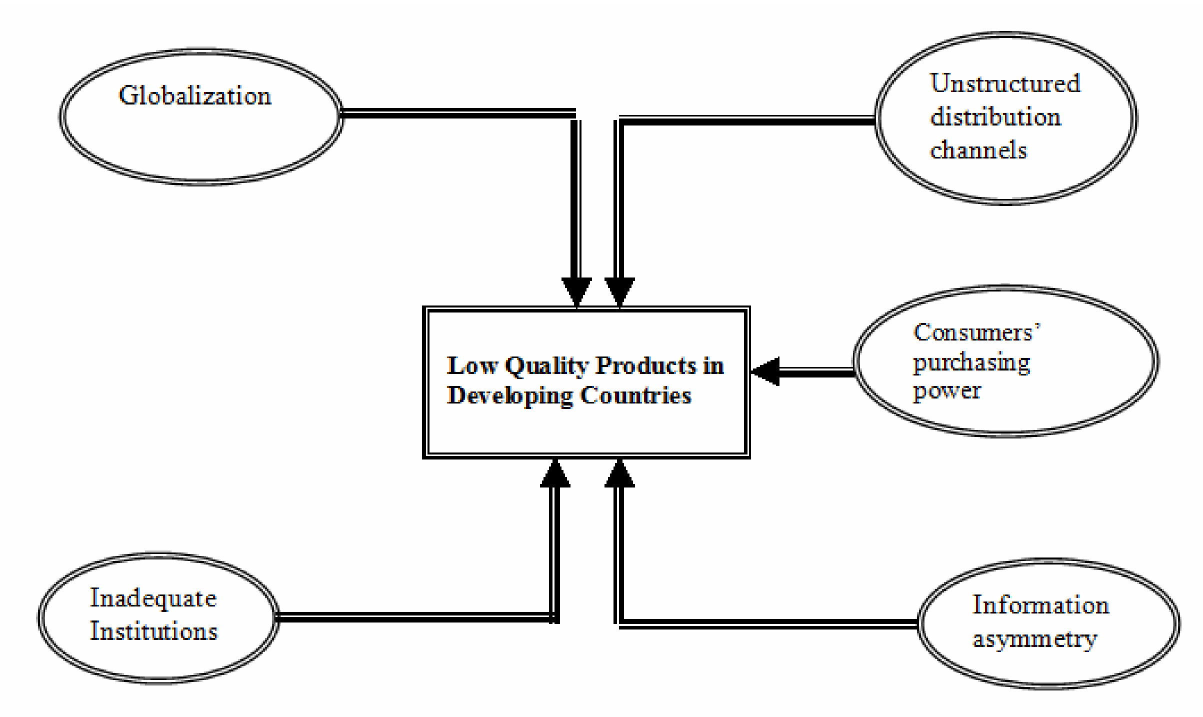
In addition to that, large price deferential between genuine and low quality products (Cordell et al., 1996; Tom, Garibald, Zeng & Pilcher, 1998) have been claimed to be one of the reasons for the existence of low quality products in different markets especially in countries that are characterized by high income inequalities. In their study they found that consumers who prefer low quality products consider price as one of the important aspects that drive them to buy these products. This shows that consumers are ready to trade between products' quality and performance and the expense of price saving. The following quotation signifies the importance of price in determining consumers' preferences;

Consumers who stated a preference for counterfeit goods indicated greater satisfaction with the durability/quality of legitimate versions of the product than with the counterfeit version and greater satisfaction with the prize of counterfeit goods than legitimate goods By and large, there is greater satisfaction with the price of the counterfeit version of the product.[3].

[3] Gail Tom et al., "Consumer Demand for Counterfeit Goods," *Psychology & Marketing* 15, no. 5 (1998).

In the same vein, Bloch et al., (1993) present that a continuing rise in demand for counterfeit/low quality products is the results of price advantages that these products offer over the genuine articles. Thus, marketers take this opportunity to segment their customers using price-quality trade-off to offer low quality products especially in areas where customers are characterized with low purchasing power. In this respect lower purchasing power that characterizes at least 80% of customers in developing countries provide an important explanation as to why low quality products find demands in these countries. To help economically constrained consumer accomplices not to buy low quality goods would require the provision of genuine products at reasonable prices or offer them income generating activities to raise their purchasing power (Tom, et al., 1998).
Figure 2 visualizes the five propositions in a single diagram as a conceptual framework which further could be used for the formulation of hypotheses ready for testing them in the empirical space.

Figure 2: Conceptual Framework



Authors' construct, 2011

3. Conclusion

Globalization has a vast number of benefits to both developed and developing economies. For the countries and society at large to enjoy these benefits require a workable interconnected system. Having both inadequate institutions and uncoordinated distribution channels give a window of opportunity to unethical producers, marketers and distributors to produce and sell low quality products in various parts of the global markets. Availability of low quality products in developing countries' markets is a critical challenge to both practitioners and academicians due to its detrimental effects to legitimate manufacturers, final consumers and economic development of any country. Searching for answers on why these products are available in these markets is a dilemma that needs responses from all stakeholders. However, there is little research interest in developing countries and the few researches that have conducted in these countries have been sporadic and lack sustainable momentum of moving forward. This paper acknowledges this lack of knowledge in developing countries context and thus makes use of theories that are developed and tested in developed economies in developing a conceptual base of the identified problem which could serve as a useful catalyst for developing hypotheses for empirical work.

References

[1] A. G. Akerlof, The Market For Lemons: Quality Uncertainty and the Market Mechanism, *The Quarterly Journal of Economics,* 84(3) (1970), 488-500.

[2] A. O. Mascarenhas, R. Kesavan and M. Bernacchi, Buyer-Seller Information Asymmetry: Challenges to Distributive and Corrective Justice, *Journal of Macromarketing,* 28(1) (2008), 68-84.

[3] A. Kanouté, Consumer Protection and Quality of Life in Africa through Competition and Regulation, edited by L Shallat, Accra: Consumers International Regional Office for Africa, (2005).

[4] A. Koves and P. Marer, Economic Liberalization in Eastern Europe and in Market Economies, In *Transformation in Socialist and Market Economies*, edited by A. Koves and P. Marer, (1991), 15-36, Boulder, CO: Westview Press.

[5] C.A. Bartlett and S. Ghoshal, *Transnational Management*, Boston, MA: Irwin McGraw-Hill, (2000).

[6] C. R. D. Moorman and F. C. Mela, The Effect of Standardized Information on Firm Survival and Marketing Strategies, *Marketing Science* 24(2) (2005), 263-75.

[7] D. P. Mishra, J. B. Heide and G. C. Stanton, Information Asymmetry and Levels of Agency Relationships, *Journal of Marketing Research,* 35(3) (1998), 277-295.

[8] G, Bamossy and L. D. Scammon, Product Counterfeiting: Consumers and Manufacturers Beware, *Advances in Consumer Research* ,12(1) (1985), 334-39.

[9] G. MacDonald and C. Roberts, Product Piracy: The Problem That Will Not Go Away, *Journal of Product and Brand Management,* 3(4) (1994), 55-65.

[10] G. Tom, B. Garibaldi, Y.Zeng, and J. Pilcher. Consumer Demand for Counterfeit Goods, *Psychology & Marketing* 15(5) (1998), 405-21.

[11] G. Gancia and A. Bonfiglioli, North-South Trade and Directed Technical Change, *Journal of International Economics,* 76 (2008), 276-95.

[12] G. S. Yip, *Total Global Strategy* Englewood Cliffs, NJ: Prentice-Hall, (1992).

[13] H. J. Holm, Can Economic Theory Explain Piracy Behavior? *Journal of Economic Analysis & Policy,* 3(1) (2003), 1-15.

[14] J. Arndt, The Political Economy Paradigm: Foundation for Theory Building in Marketing, *The Journal of Marketing,* 47(4) (1983), 44-54.

[15] ———. Toward a Concept of Domesticated Markets, *The Journal of Marketing,* 43(4) (1979), 69-75.

[16] J. Stiglitz, Globalization and its Discontents, Allan Lane, The Penguin Press, London, (2002).

[17] L. P. Bucklin, *A Theory of Distribution Channel Structure,* (1966), Berkeley: Institute of Business and Economic Research, University of California.

[18] L. Zhang, M. A. Dickson and S. J. Lennon, The Distribution Channels for Foreign-Brand Apparel in China: Structure, Government's Role, and Problems, *Clothing and Textiles Research Journal*, 20(3) (2002), 167-80.

[19] O. O. Osibo, Faking and Counterfeiting of Drugs, *West African Journal of Pharmacy,* 12(1) (1998), 53-57.

[20] P. H. Bloch, R. F. Bush and L. Campbell, Consumer Accomplices in Product Counterfeiting: A Demand-Side Investigation, *The Journal of Consumer Marketing,* 10(4) (1993), 27-36.

[21] P. Kisembo, Consumer Lobby Pushes for Standards, Quality Laws, *The Guardian* (2008).

[22] R. Arellano, Informal-Underground Retailers in Less-Developed Countries: An Exploratory Research from a Marketing Point of View, *Journal of Macromarketing*, 14(1) (1994), 21-35.

[23] R. Layard, Happiness – Has Social Science a Clue? Lionel Robbins Memorial Lectures 2002/3, Centre for Economic Performance (London School of Economics and Political Science, London), (2003).

[24] R. Narula and J. H. Dunning, Globalization and New Realities for MNE-Developing Host County Interaction, *MERIT Research Memorandum*, *2/98-01*, (1998).

[25] S. Mwita, Fake Goods Cause Four Trillion Loss to Tanzania, Dar es Salaam: Daily News, (2008).

[26] S. Poddar, Why Software Piracy Rates Differ: A Theoretical Analysis, Singapore: National University of Singapore, (2005).

[27] S. Samiee, Retailing and Channel Considerations in Developing Countries: A Review and Research Propositions, *Journal of Business Research*, 27(2) (1993), 103-29.

[28] T. Levitt, The Globalization of Markets, *Harvad Business Review*, 61(3) (1984), 92-102.

[29] V. V. Cordell, W. Nittaya and L. K. Robert, Counterfeit Purchase Intentions: Role of Lawfulness Attitudes and Product Traits as Determinants, *Journal of Business Research*, 35(1) (1996), 41-53.

[30] WHO, Use of the Who Certification Scheme on the Quality of Pharmaceutical Products Moving in International Commerce, Geneva: World Health Organization, (1995).