Building a Successful Anti-Counterfeiting Strategy

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- Featured Speaker

  Camilla Herron, Sr. Brand Protection Consultant
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Anti-counterfeiting Credentials

- Law enforcement background
  - DEA Intelligence Analyst

- Regional Intelligence Analyst in Asia for Microsoft

- Corporate brand protection roles with major global brands: Microsoft, Symantec and Apple

- Developed the Global Brand Protection program at Monster Cable
Counterfeiters’ Surprising Tactics

- Online counterfeit sales and piracy is estimated at $350B annually and growing at a rate of 25% YOY

- Employ digital marketing best practices
  - Professional e-commerce sites
  - SEO experts
  - 14% of branded search is hijacked

- Take advantage of consumer shopping behavior
  - Online deal seekers outnumber consumers looking for fakes by 20 to 1
  - 1 in 5 online bargain hunters are duped by counterfeiters
The Business Impact

- **YOUR BOTTOM LINE:**
  - Losing revenue to fraudsters
  - Quality issues
  - Increase in customer service call volumes
  - Diverted web traffic
  - Strained channel relationships

- **YOUR BRAND REPUTATION:**
  - Brand confusion
  - Negative customer experience
  - Decreased customer satisfaction
  - Erosion of customer **TRUST**
What NOT to Do

1. **DO NOTHING**
   Counterfeiting will not go away on its own
   Brand reputation, revenues and customer trust will continue to erode

2. **DO IT MANUALLY**
   There are too many channels and venues to monitor manually
   Manual approach is usually more costly and less effective in the long run

3. **TREAT ALL INFRINGEMENT EQUALLY**
   Different types of abuse impacts your brand and revenue with different force
   Prioritize abuse based on its impact on your business

4. **RESPOND TO EVERY INSTANCE OF INFRINGEMENT**
   Not every abuse will have an appreciable impact on revenue
   Save your resources to make the biggest positive impact
Building A Successful Anti-counterfeiting Strategy

1. Gain Visibility & Scope the Problem
2. Define Your Strategy & Set Clear Objectives
3. Develop a Cross-Functional Team
4. Monitor, Prioritize and Enforce—Both Distribution and Promotion Points
5. Leverage Online Intelligence to Inform Offline Defense Measures
6. Partner with Law Enforcement
7. Educate Your Customers
#1 Gain Visibility and Scope the Problem

- Understand the global, online counterfeit eco-system
- Understand breadth and depth of problem
  - Monitor and analyze all digital channels, including both distribution and promotion points
- Understand volume: Web traffic and sales
- Understand potential impact on your business to effectively set priorities
#2 Defining Your Anti-Counterfeiting Strategy

- Have clear objectives
- Develop a plan or road map for initiating your anti-counterfeiting program
- Have a phased approach for implementing a truly comprehensive program
- Align business objectives with priorities
#3 Develop a Cross-Functional Team

- Everyone understands the scope of the problem
- Ensures a holistic program
- Avoids fragmented effort
- Prevents cross-departmental conflicts
- Raises awareness and therefore effort to solve the problem
- Educates the organization
- Shares the cost

**Brand Protection Deserves Executive Attention**
#4 Monitor, Prioritize and Enforce
Disrupt the distribution and promotion of counterfeits

- Fraudsters use the same marketing tactics to drive traffic
- Monitor distribution and promotional channels, including paid search and social media
- Prioritize worst offenders and automatically enforce in bulk
- Enforce for immediate and greatest impact
- Conduct case-by-case, cost-benefit analysis for problem websites
- Become a difficult target by continuously enforcing
- Leverage expertise of 3rd party partner to develop and implement on-going strategy
Use All Your Weapons
Escalate enforcement depending on the type and severity of abuse

- Use high-volume low-cost enforcements such as C&D and counterfeit de-listings for bulk enforcements
- Reserve high-impact enforcements such as UDRPs and litigation to go after your most egregious offenders
- Track compliance to measure effectiveness of your brand protection efforts
- Know when to act tactfully
- Ensure problem sites stay down
Leverage Online Intelligence to Inform Offline Efforts

- Analyze intelligence from the Internet
  - Hone in on most egregious offenders
  - Target the biggest sellers
  - Identify problem countries
  - Identify problem ISPs

- Cross reference B2B suppliers with other ecommerce sites they own/operate
Ground Enforcement Strategy: Investigations

- **Criminal Arrests and Prosecutions**
  - Requires assistance of licensed investigators
  - Chain of custody process for evidence
  - Legally compliant evidence storage

- **Civil Litigation**
  - Provides for some financial recovery

- **Test Buy Programs**
  - Typically performed by licensed investigators with evidence storage that meets legal requirements
  - Provide detailed court ready reports on each test buy
  - Builds a separation between the Brand and the seller
#6 Partner with Law Enforcement

- Have a person dedicated to responding to inquiries from law enforcement
- Federal Law Enforcement has a higher threshold before taking on cases
- Agencies will respond to counterfeit claims when it relates to health and safety issues
- Once an investigation is handed over brands abdicate any and all control over to the investigation
- Some cities have dedicated anti-counterfeiting taskforces
- Make training law enforcement a priority
- Register all trademarks with U.S. Customs to facilitate the seizure of suspect goods
#7 Educate Your Customers

- Make your customers your allies in fighting brand abuse
  - Provide a dedicated page on your website about counterfeits
  - Create a victim’s assistance guide and make it available online
  - Maintain a hotline for reporting of suspicious activity to the company

- Offer web-based tools for determining product authenticity
  - Create a Product Identification Guide

- Provide a list of authorized dealers on your website

- Educate your customers about risks of buying from unauthorized sellers
Summary

- Understand the scope and impact of your counterfeiting problem

- Monitor, prioritize and enforce—distribution and promotion points

- Leverage resources and expertise of 3rd party partner for greater impact

- The Internet is dynamic: you must constantly evolve your anti-counterfeiting strategy
Q&A

- Featured Speakers

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