



Why Do Consumers buy Fakes?

Factors Driving Consumers Towards Counterfeits and How to Prevent Consumers from Buying Fakes

Author: James Greening

Dear Reader,

We surveyed **1,494 consumers** from across the world asking them why they buy fakes and how they could be kept from buying counterfeits. While all income groups, educational categories, age levels and continents are represented, it is interesting to note that mostly men (67%) participated. This trend is identical to previous year's survey, where 65% of the participants were men, suggesting that men may be buying more counterfeit than generally thought.

Most consumers (69%) consider themselves capable of identifying fakes. This is especially the case for Clothing, Accessories and Electronics. Only 10% admit they are unable to identify fakes. 45% of consumers doubt their ability to recognize fake Medicines and Toys while 23% say they have trouble with all categories.

Despite the reported confidence in identifying fakes, **58% of the consumers have bought a fake product in the past** unknowingly or doubting the originality of the product. 18% admit to knowingly having bought fakes. Clothing, electronics and accessories are the most commonly purchased fake products.

Remarkably, **websites (41%) are by far the most popular channel to buy counterfeits.** This channel is followed by online marketplaces (32%). Physical markets and stores are slowly losing popularity while buying directly via Social Media is on the rise (but not yet as big as websites).

Consumers buy fakes primarily as they believe that there will be **no significant difference in quality (16%).** The lower price (16%) and the feeling that the real brand is overpriced (12%) are also named.

Consumers are aware that counterfeits support crime and human exploitation. What however would keep consumers the most from buying counterfeit is the **concern about the quality of the product (42%)** and the belief that buying fakes online is not safe as their (financial) data may be misused (38%) and the product not delivered (32%).

To learn about the originating countries of the fakes, we asked consumers to name where they think they bought the fake product from. **China was named the most (39%)** followed by, surprisingly, the United States (9%) and India (6%).

Regarding the fight against counterfeits, **consumers think the lead should be taken by consumer protection agencies (49%)** and not by international authorities such as Europol and Interpol (25%) or the European Union and United Nations (24%).

I wish you happy reading!

Jorij Abraham

General Manager ScamAdviser
& Global Anti Scam Alliance



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The ways in which fakes are sold, bought and offered are changing

An interview with Marta Muszyńska, Project Management Team Leader EBRAND



Reading the report, which findings can you relate to?

The problem of being exposed to counterfeited goods, especially on the internet, is significant and this is confirmed by the report. The number of counterfeits that we encounter in traditional stores is incomparable to the ones sold online.

It is worth relating to the growing number of products sold through social media. It is not surprising at all, as this medium is growing rapidly and taking over a vast majority of the fake products market. We ourselves see a significant increase in social media auctions that are detected for our clients and, at the same time, in the growing interest in this particular channel. Social media became a significant way of communicating, especially for young people, hence it is being used to sell counterfeit products. These platforms have billions of active users and as many potential customers. Studies show that almost one-fifth of the content posted on social media regarding luxury brands is illicit.

Reading the report, are there things which surprise you?

It is remarkable that 20% of the people taking part in the survey had knowingly bought counterfeit products. Despite knowing that counterfeit products carry many risks, about 10 percent of respondents are interested in buying such products.

Interestingly, 16% pointed to the fact that they cannot afford the real product as the motivation factor behind purchasing fake products. It is worth underling that fake products should not be an option here, as there are original but cheaper equivalents for many products. You do not need to buy a knock-off of a Rolex if you can afford a solid watch of a lesser-known brand. Also, since 47% are unhappy with the fake products, the question arises: why buy them if the quality is not satisfying?

Which trends does EBRAND see in the counterfeit market?

We see three major trends. The first is the ways in which criminals sell counterfeit products. The truth is that those sellers are getting more and more creative in advertising products, so a consumer has no idea that they are not buying an original product. Sellers tend to create multiple companies with similar names to the original product owner, advertise as certified or authorized manufacturers or official distributors, use websites/ social media profiles like the registered brands' ones, or trademarks.

The second trend is the ways in which consumers buy fake products are changing. Consumers buy very unconsciously, not paying attention to whether the seller is official, what the country of origin of the product is, not seeing the visual difference between the original product and a counterfeit one.

Thirdly we see that the ways counterfeit products are offered are changing as well. Very often products are offered using original marketing materials - pictures, videos, or textual description. Such behavior of vendors makes it significantly more difficult to assess the authenticity of the products being sold.

Which which actions should be taken on an (international) policy level to fight counterfeiting?

As EBRAND we offer multi-stage action against product piracy.

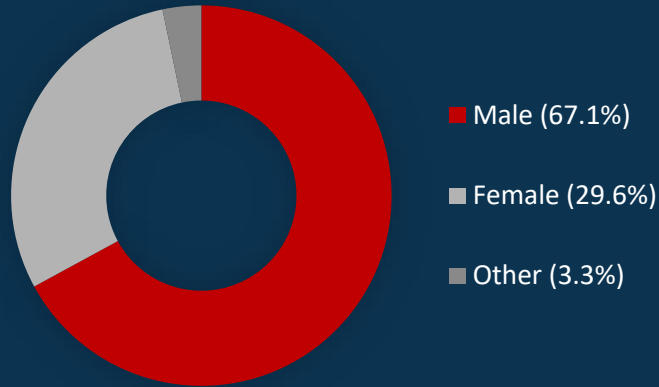
Our main product is ARGOS™. It is a brand protection platform that enables product search and retrieval on the most complete list of auction sites and marketplaces globally. We also offer a complex analysis of detected products, together with take-down requests on infringements to ensure swift enforcement. With the help of various filters and algorithms, our platform discovers any form of product piracy across multiple channels globally: online marketplaces, social media networks, App stores, webstores, and websites.

We also offer the X-RAY tool to prevent phishing attacks and company impersonation with malicious websites. X-RAY detects, removes and prevents threats such as phishing and scam or account takeover attacks.

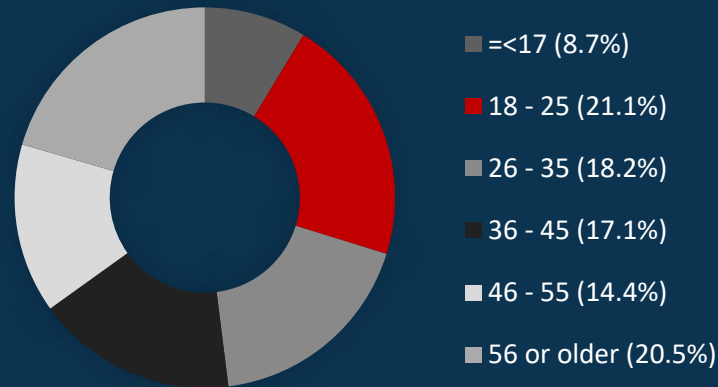
The battle with counterfeiters is not lost, however, it requires proper planning and execution. It is worth remembering that counterfeiters make use of the continually evolving technology and there is no reason for brand owners and official agencies not to do the same with fighting against piracy.

1,464 consumers participated in the survey

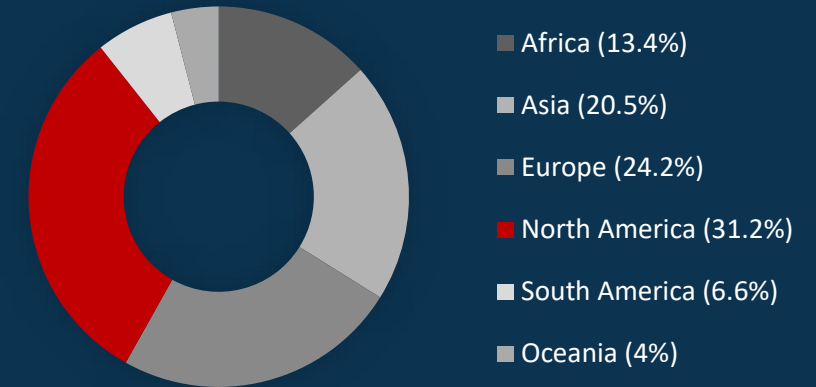
What is your gender?



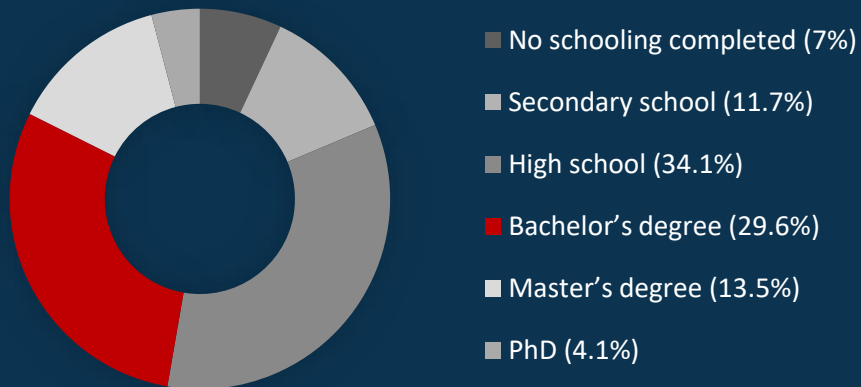
What is your age?



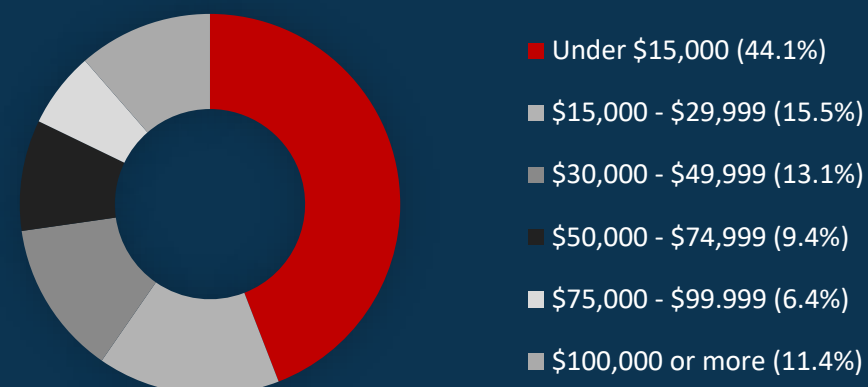
Where are you from?



What is your education level?



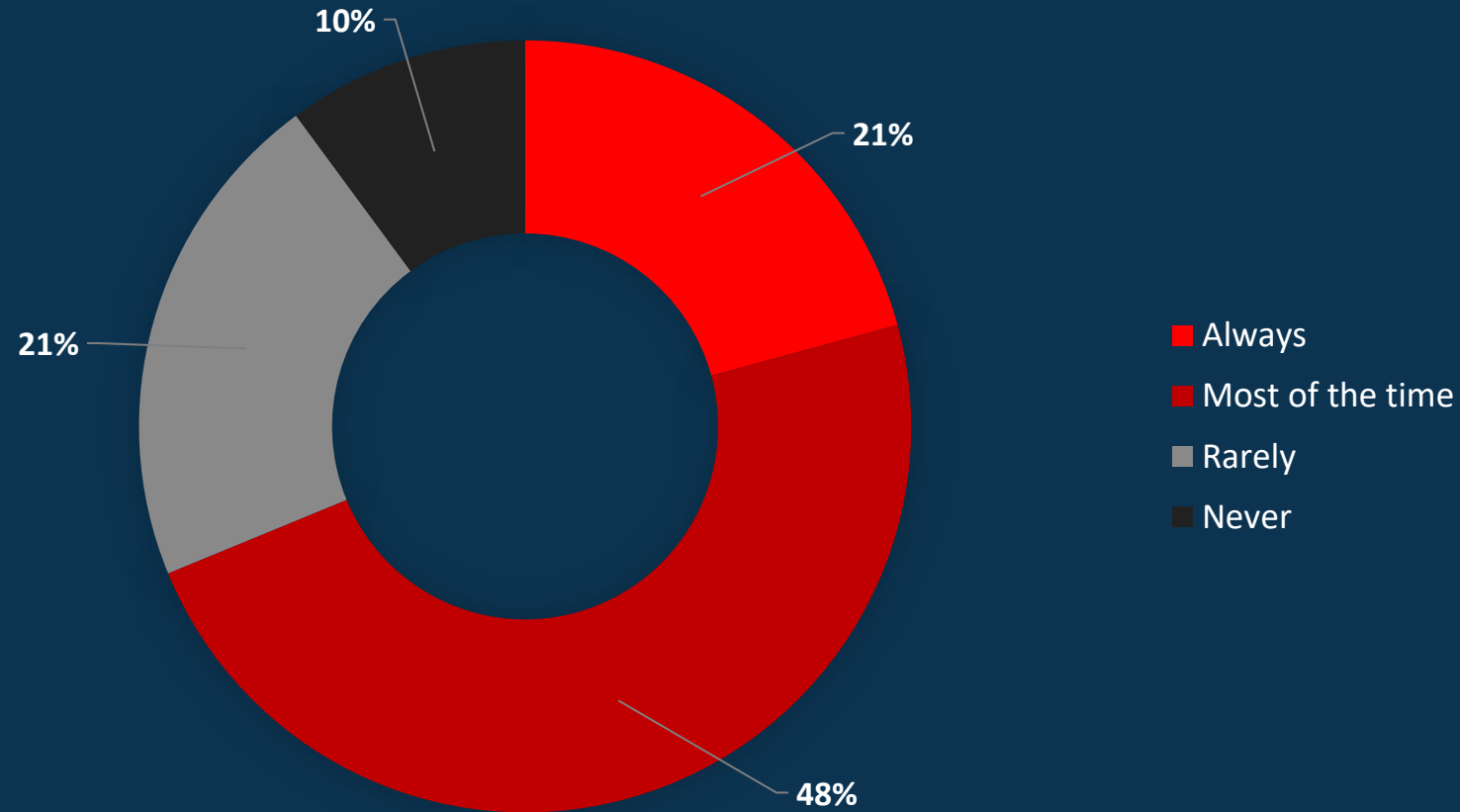
What is your annual income?



Surprisingly, the number of men (67.1%) by far outweighs the number of women (29.6%)

69% say they are good at identifying fakes

How often can you identify fake products?



21% doubt their ability while 10% say they cannot identify fakes at all

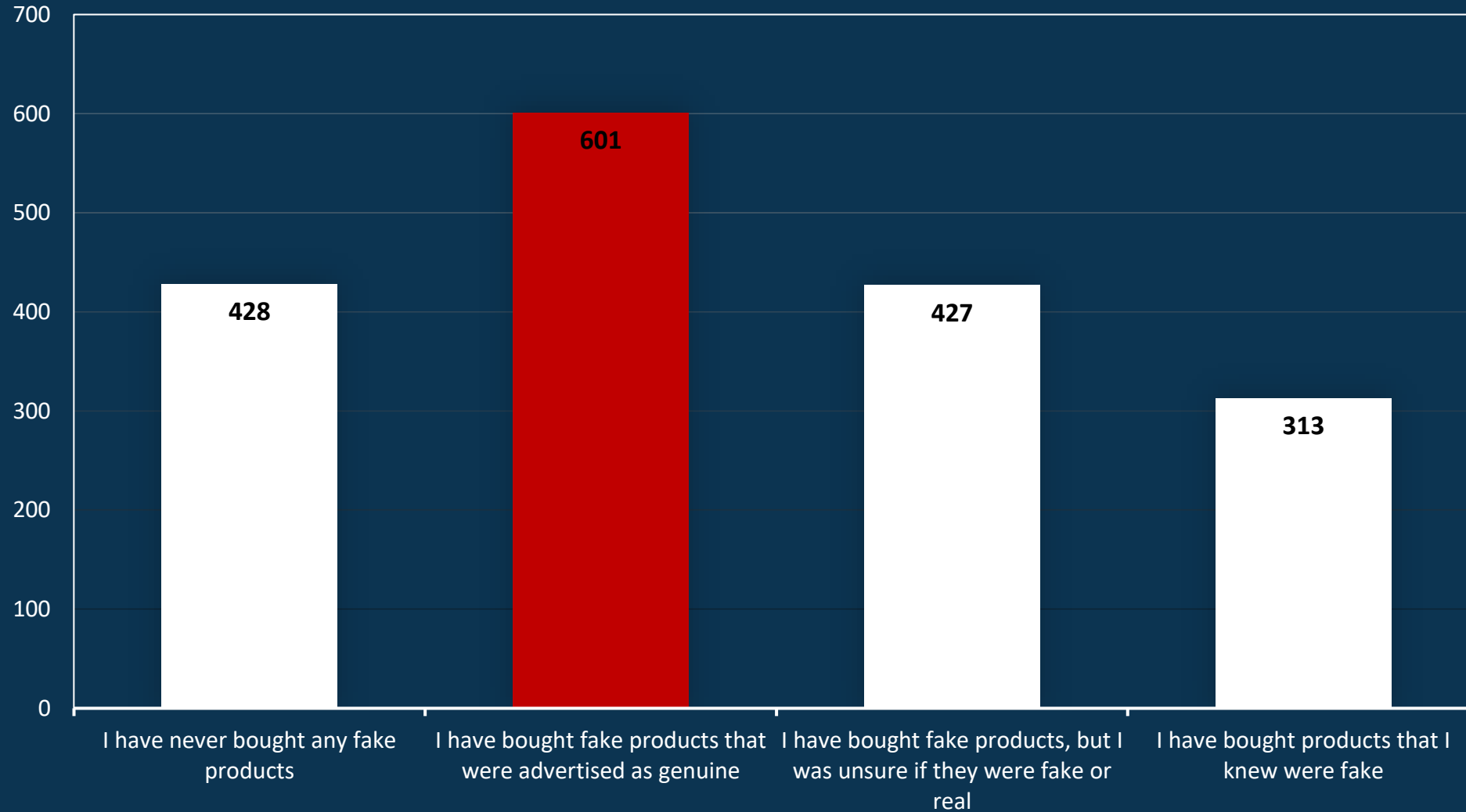
Consumers are confident they can identify fakes



45% have trouble with Medicines and Toys while 23% are unsure about all categories

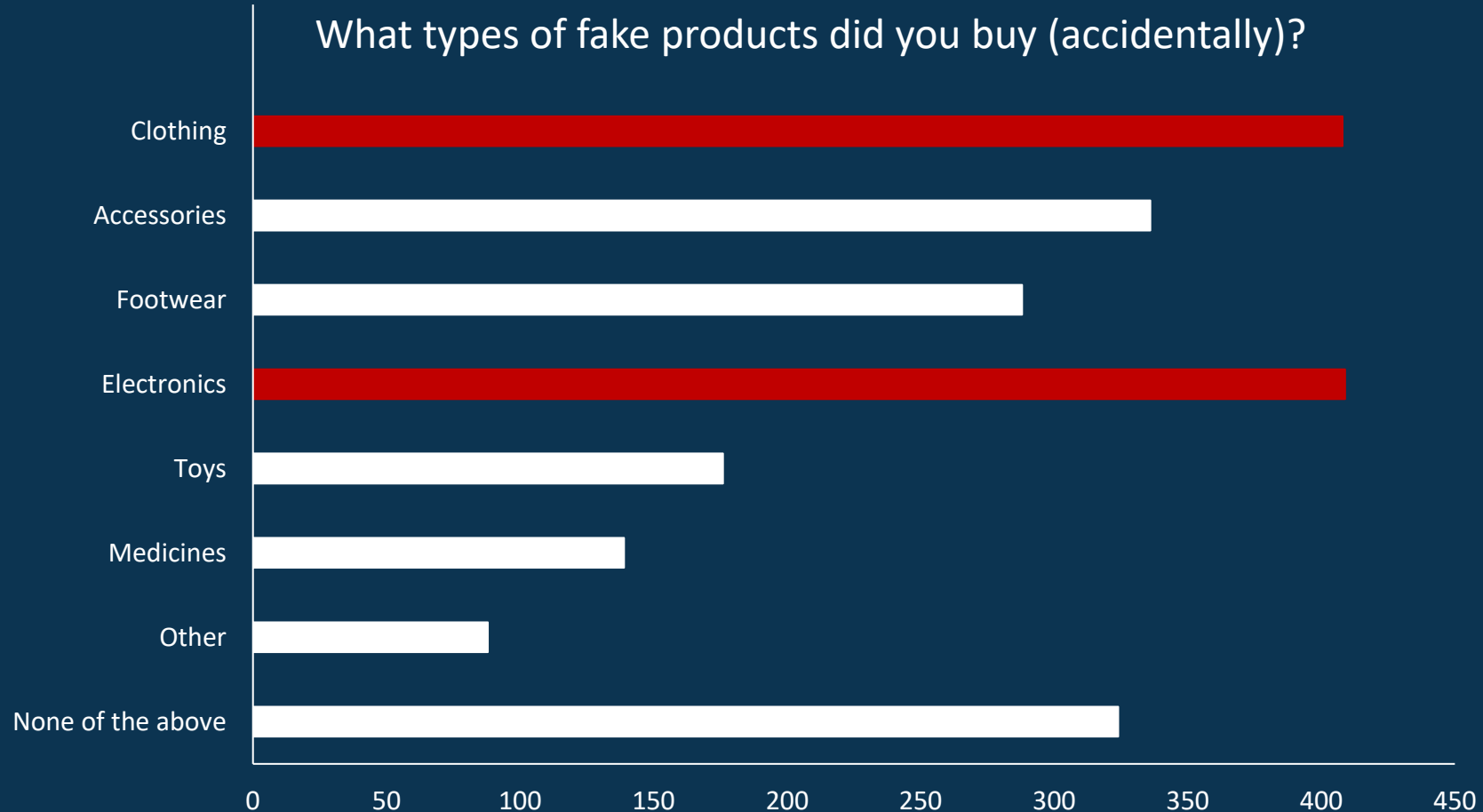
40% thought they were ordering the real thing

Which of the following statements is true?



29% of the participants have never bought fake while 29% were unsure about the authenticity
20% knowingly has bought fake products

Clothing (28%) and Electronics (28%) are the most popular



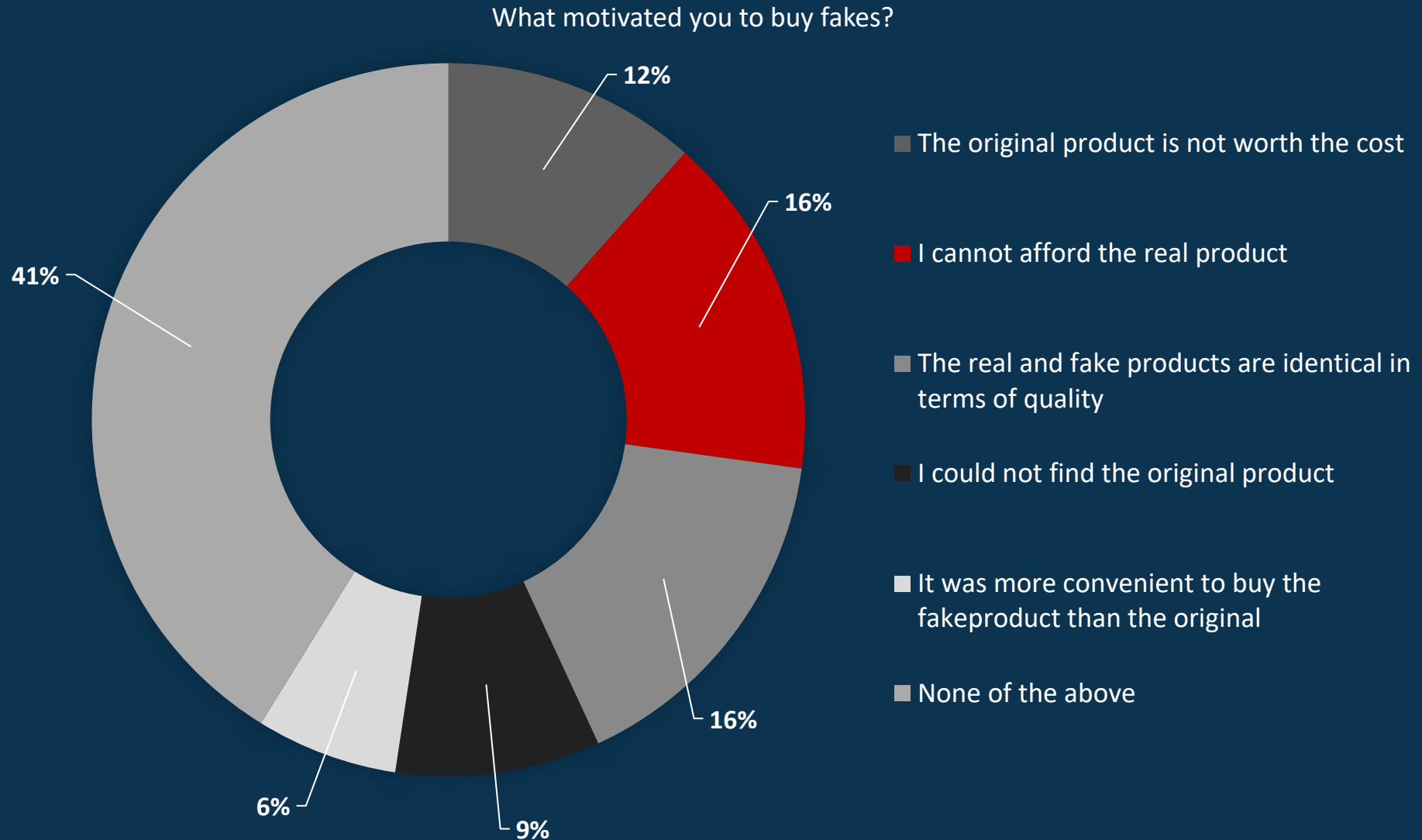
22% said they never purchased fakes, 5% drop compared to 2021 where 29% said they never purchased fakes

Websites are by far the most popular channel to buy fakes



Marketplaces are a distant second (32%). Physical stores and markets were stable while social media grew the most

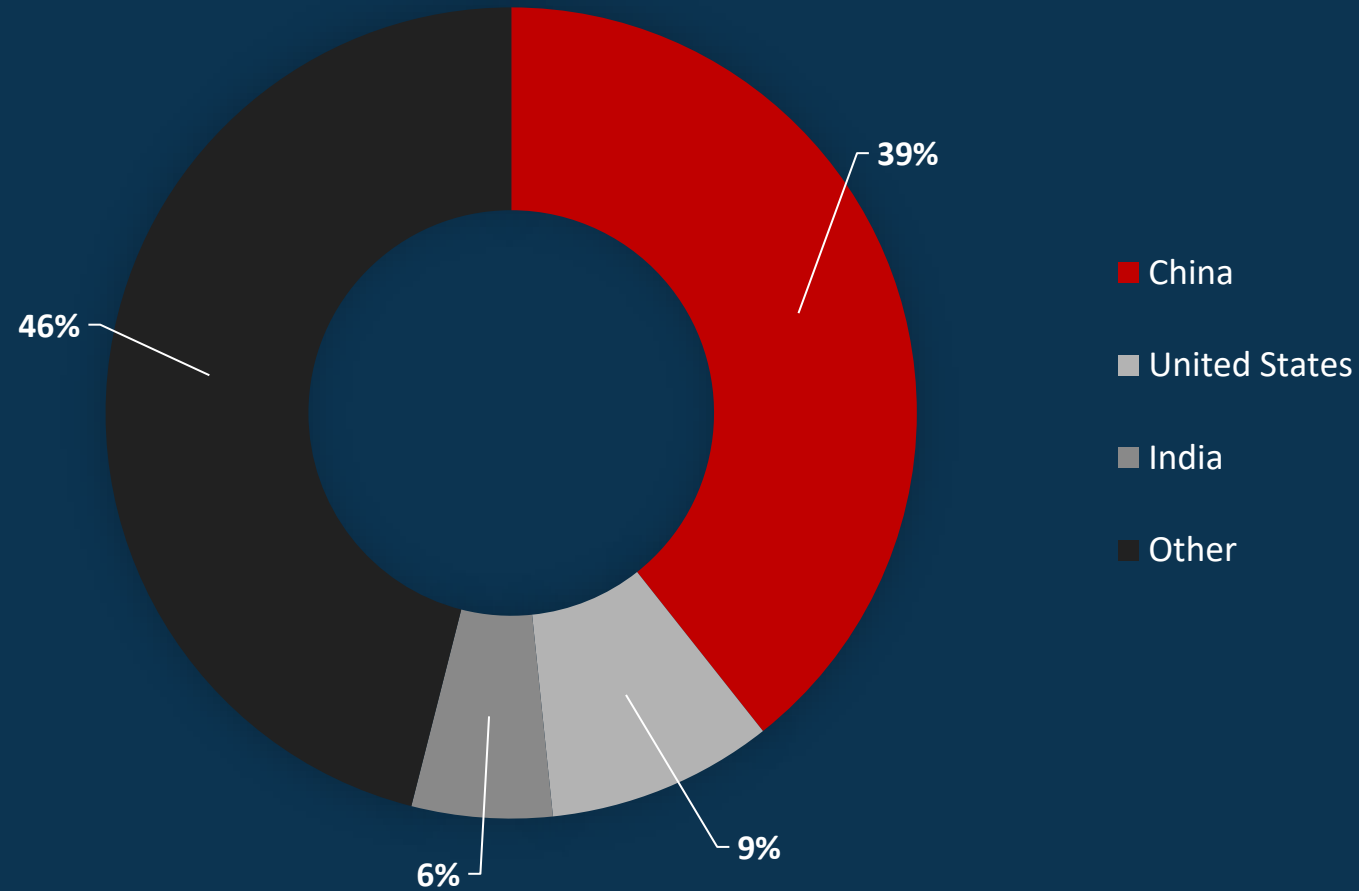
16% said that the fakes seem identical in quality



Affordability (16%) is an equally big motivator for buying fakes

39% think that the fakes originated from China

If you bought fakes (by accident), from which country do you think you bought them?



The United States (9%) and India (6%) are the next most commonly named countries

Fake goods are estimated to exceed \$500 billion annually

That's 3.3% of global trade according to the OECD.

Which trends do we see in the sale of fake products?

The most prominent trend is still cross-product fakes, whereby counterfeiters will put a logo anywhere they think it will sell. However, the traditional supply chain and port of entry for goods has changed as many things can be ordered online and drop-shipped. Websites have become sophisticated and harder to track due to use of anonymous networks and new marketplaces on emerging platforms continue to evolve.

Which type of products are most infringed?

Footwear made up almost a quarter of seized goods around the world, making it the most popular product copied by counterfeiters. But also apparel & accessories, leather goods, perfumes, electronic devices and watches.

Which Global brands are the most infringed?

Luxury clothing brands such as Cartier, Rolex, Chanel, and Gucci tend to be the most infringed ones. Apple and Samsung are the most counterfeited tech brands in the world. A staggering 10% of medication in the global supply chain could be counterfeit, and the issue further affected by the COVID-19 pandemic.

How can we identify fake goods and scams?

In the case of physical goods, inspect the product, as the quality is often lower than that of the originals. Inspect the packaging and instructions, as it is typically inferior or does not indicate the address of the manufacturer or importer and may not be in local language or contains grammar errors. Check logos and trademarks carefully for slight differences and inferior quality. Suspiciously low prices are still a good indicator.

In many cases fake goods don't even reach the consumer, branded webshops can be fake too. Fortunately, there are some useful ways to help identify scam sites and emails. Using third party security apps to identify emails originating from suspicious sources, checking carefully an address bar and URL for misspellings or dubious top level domains. Plus, checking for missing contact page information, missing or invalid social media links, poor grammar, spelling, and lack of a privacy policy.

How should brands protect themselves?

There are many brand protection agencies that can help to identify infringements. Once specific threat types and sources identified, further actions can be taken, such as 'Take down orders' or proceeding with litigation process. At DomainCrawler, we collaborate with such agencies by offering comprehensive domain data for the analysis.

How to prevent "Whacking the mole"?

Companies need to ensure their employees fully engaged to support the fight. Ideally, they will include BP and IP Protection considerations at the onset of business planning, versus being reactive after significant issues have already arisen. Global Anti Scam Alliance in cooperation with DomainCrawler offer several data services to advertising networks, law enforcement, security firms, and brand protection agencies to help them separate reliable online stores and sites from scams and fraudulent websites.

What Does the Future of Anti-Counterfeiting & Brand Protection Hold?

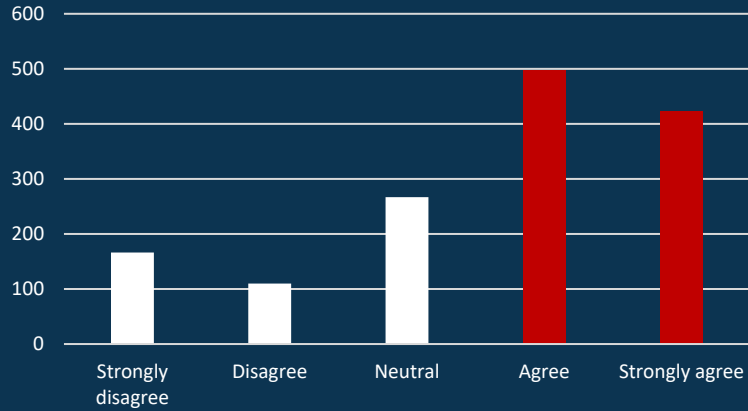
Technology will increasingly play a critical role in making brand protection and supply chain management and security more effective. E-commerce marketplaces will get tougher and tougher for counterfeiters, so the concern will mostly disappear there, but such criminals will respond via more private messaging, apps, and dedicated email marketing. Organisations will need to deploy more dedicated resources to the cause, develop strategies, and collaborate and join trademark protection associations.



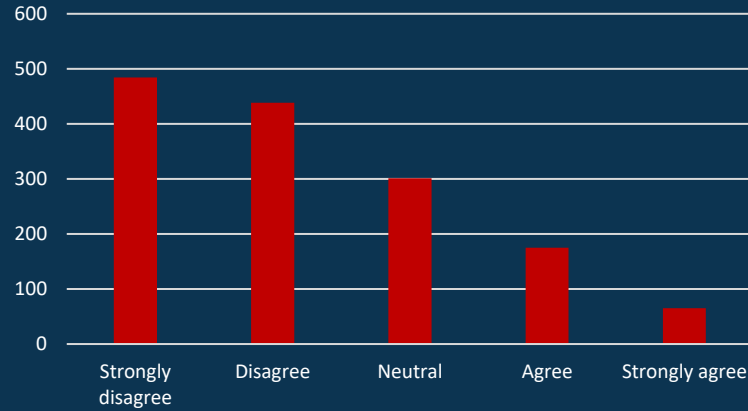
Alona Borzhemska
Chief Commercial Officer
DomainCrawler

Consumers agree fakes can be dangerous

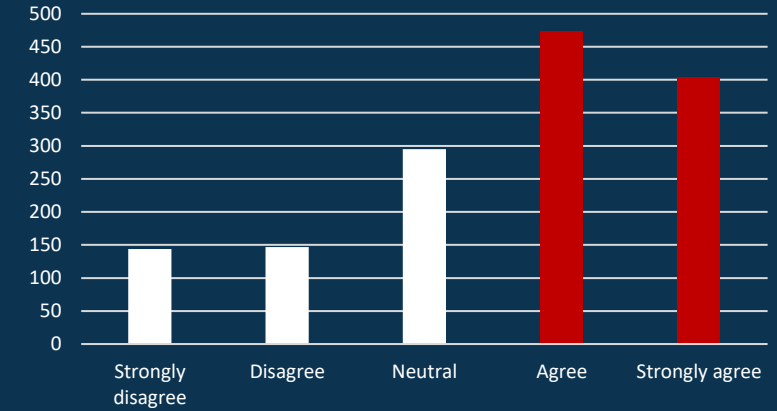
Fake goods can be dangerous



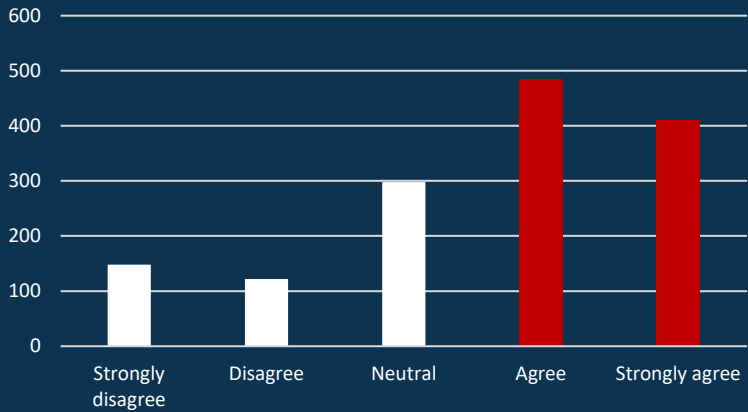
Fakes are as good as originals



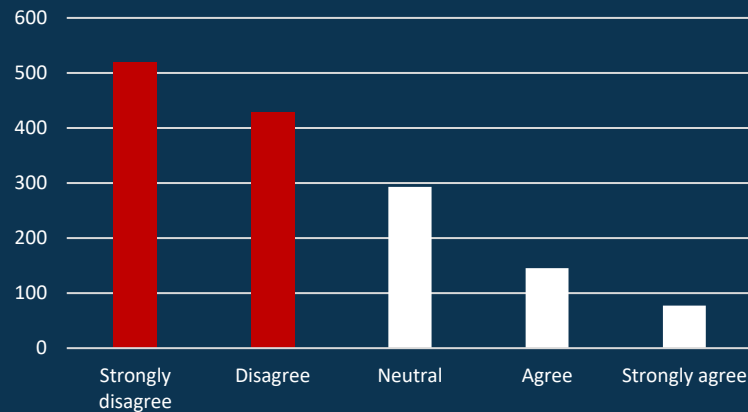
Fakes support crime



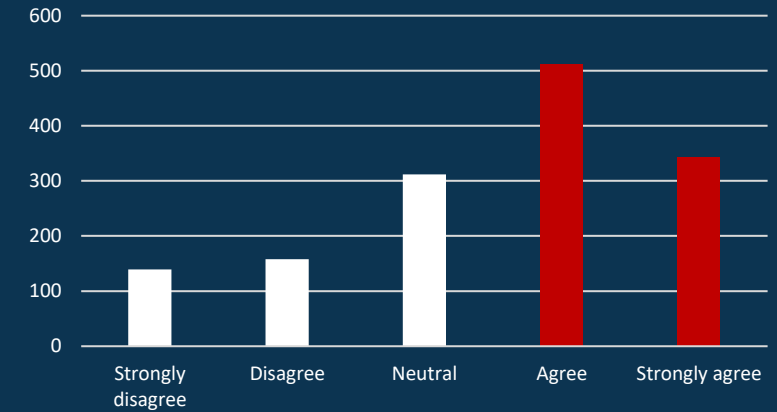
Fakes support exploitation



Buying fakes online is safe



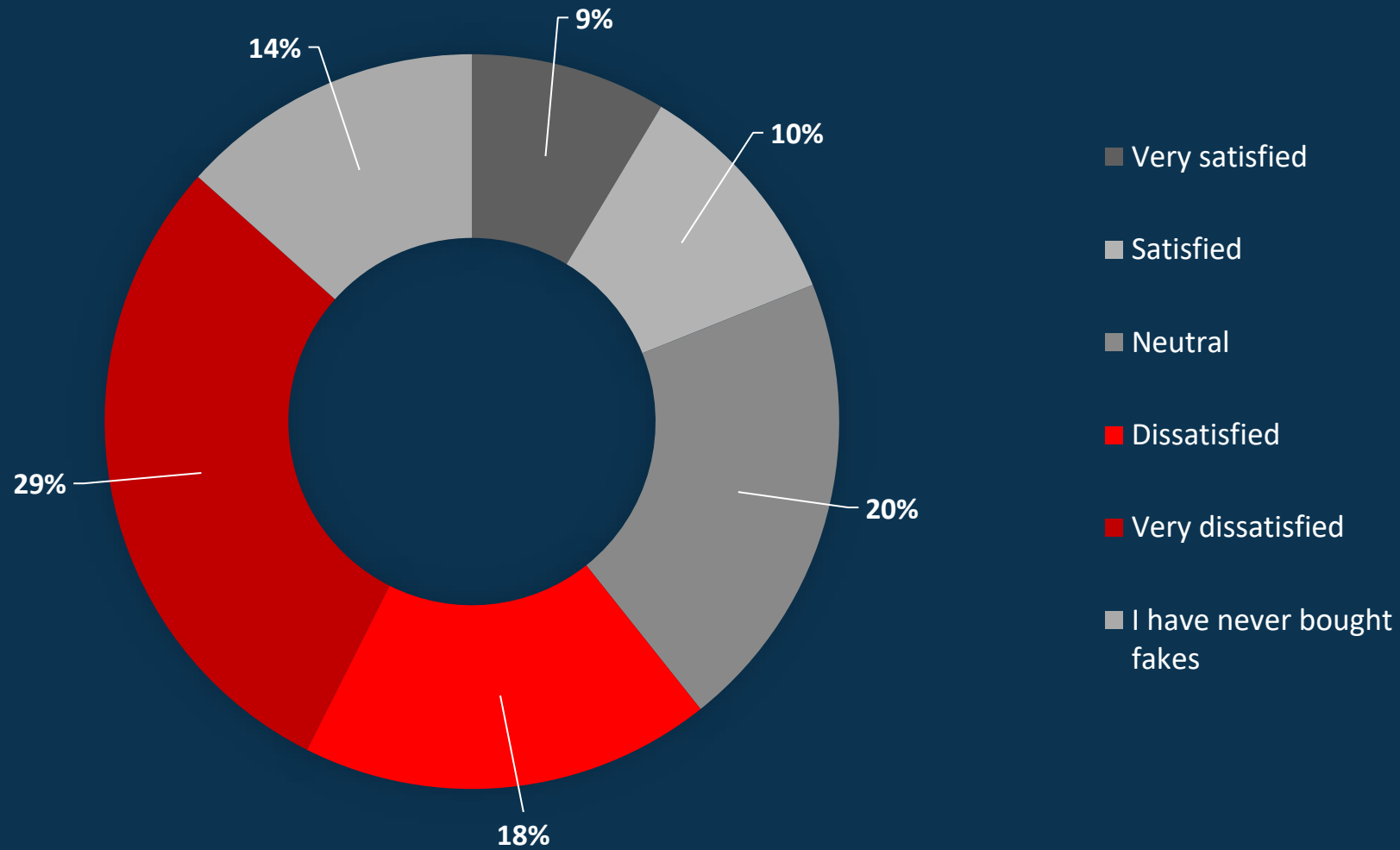
I can find fakes online easily



Fakes are considered to be inferior and support crime & exploitation

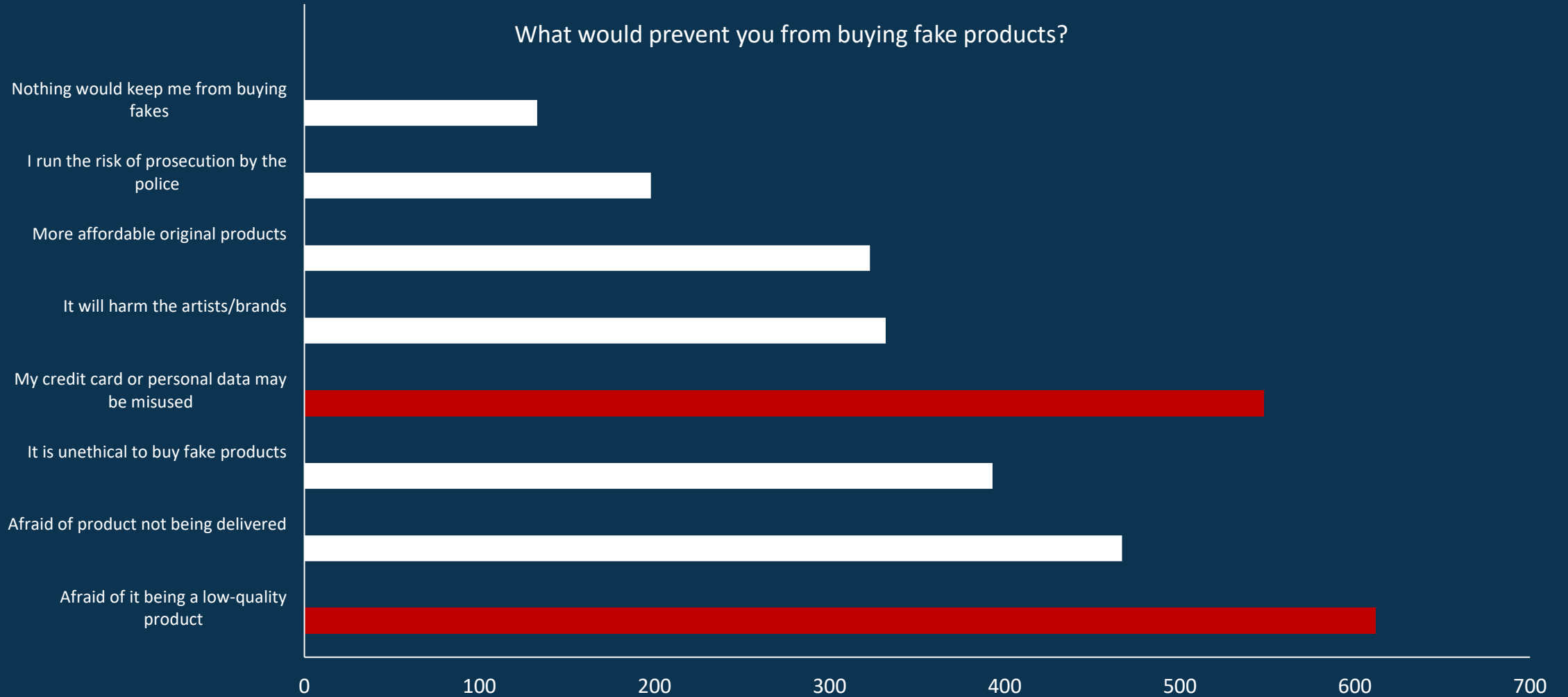
47% are unhappy with the fake products

How was your experience with the fake products you bought?



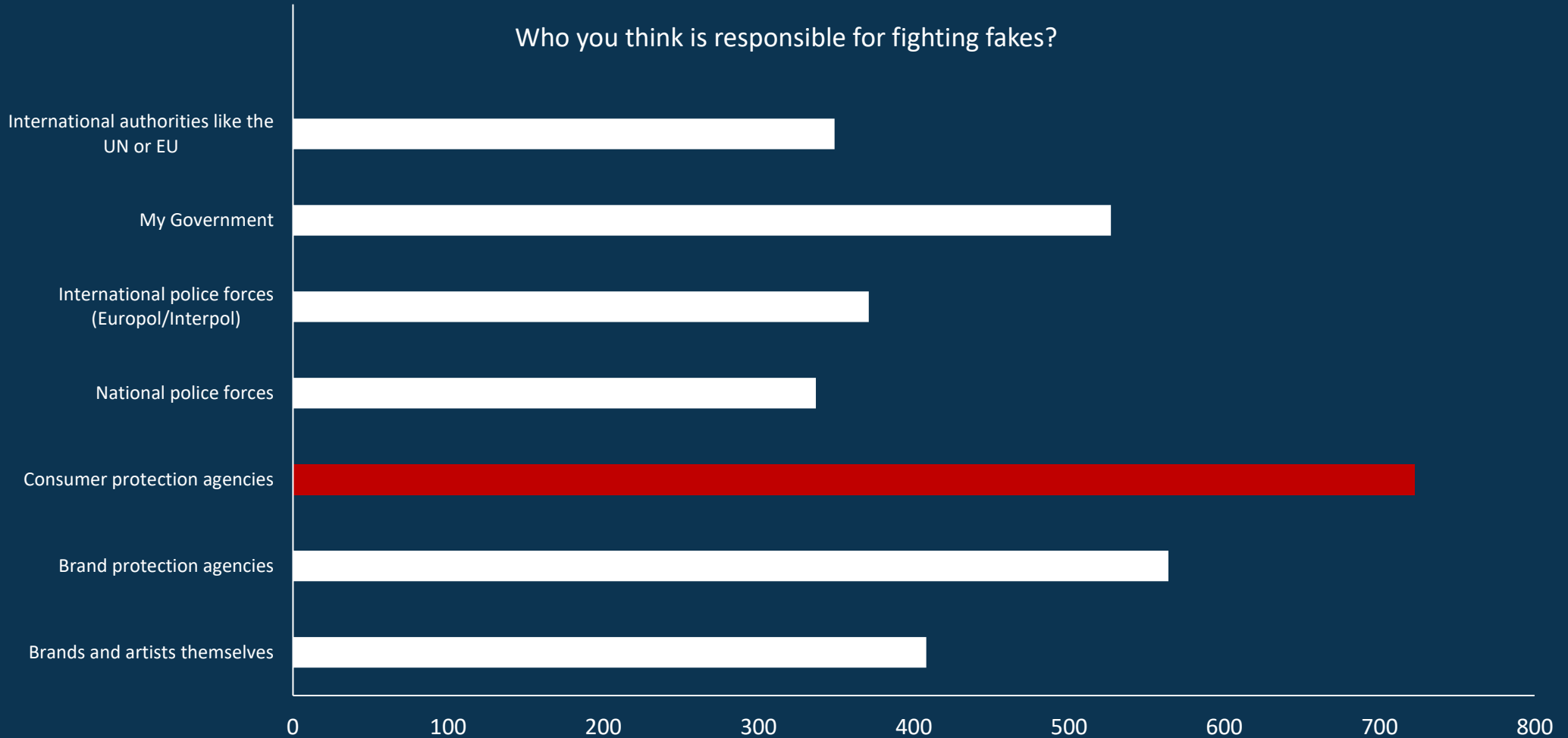
20% are neutral while 19% liked the fakes

Consumers fear the quality of fake products



They are also afraid their payment information may be misused

Consumer protection agencies should fight fakes



Surprisingly, international forces are named less

About this Report



Who are we?



The Global Anti Scam Alliance (GASA) is a non-profit, bringing together law enforcement, consumer authorities, NGOs, brand protection, cybersecurity, and commercial organizations to share insights and knowledge surrounding scams.

ScamAdviser.com checks the likelihood of a website being legit or a scam for more than 120,000 consumers daily. More than 1 million new domains are added to our database monthly. Via our Data Partners, we protect more than 1 billion consumers worldwide.



**Our Goal:
Help Consumers
Not Get Scammed**



Interested in becoming a Partner?

Contact us to join our fight against online scams!



Jorij Abraham
Managing Director
E: jorij.abraham@gasa.org
M: +31 6 52 84 00 39

Address:
Keurenplein 41
1069CD Amsterdam
The Netherlands



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