



*Strategies for technical-juridical training and awareness-raising  
on counterfeiting*

**The implementation of this Report was possible thanks to the financial contribution of Fondazione CRT.**

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## **Justification**

Counterfeiting has recently gained a place in the daily chronicles with a certain frequency and determination. News reports regarding seizures of counterfeit products around the world are more and more present in newspapers, on TV and on radio programmes. It is undeniable that this contributes to progressively increase awareness on the phenomenon, in particular for what concerns its diffusion; nevertheless, there are still obstacles preventing the development of a perception recognizing how unacceptable this activity is. This limitation derives from the fact that the information presented usually refers to what is commonly indicated as the “tip of the iceberg” of counterfeiting: its submerged part is substantially bigger and more complex, with far more alarming consequences.

This discrepancy between the dimension of what is reported of the phenomenon and what is still hidden is understandable in light of the fact that a significant portion of counterfeit products circulates and is traded through an obscure and underground market. On the other hand, the same could not be said with reference to the hazards it causes. This derives from – and is strictly correlated to – certain fundamental elements that are often neither sufficiently presented to the public nor are they adequately discussed. The first of these elements refers to the management of the counterfeiting “trade,” from production, to large-scale distribution, to the actual selling of these products in the streets or in local markets. The second element is the risk deriving from the use of different types of counterfeit products and the various degrees of this hazard. Finally, the “grey zone” surrounding this activity (which limits a full understanding of the phenomenon), is expanded by the presence of one more hidden element. It is the use of the Internet for a series of commercial exchanges aimed at obtaining an advantage from the anonymity that Internet grants.

UNICRI has often called attention to the complex nature of counterfeiting and to the importance of providing a complex response that embraces the various aspects of the problem through a multidisciplinary approach. From a legislative point of view,

counterfeiting is essentially a violation of the law and often a crime that has to be prosecuted, dedicating more and more efforts to identifying the criminal networks of this trafficking and highlighting the connections between counterfeiting and other forms of crime; but, from an economic point of view, counterfeiting represents a huge market, based on demand and supply rules.

Simplifying the discussion, and before analyzing other aspects of the issue's complexity, our commitment derives from a specific persuasion that we have: any strategy aimed at countering the development of the phenomenon that intervenes in only one of its different components without considering the others, runs a high risk of failure. It is for this reason that we decided in this research to focus our attention on two different aspects: the investigation and enforcement phase, and the awareness-raising of consumers. Thus, the important role played by law enforcers to counter this activity is coupled with the responsible behaviour of every informed consumer who, in our opinion, can greatly contribute to reduce the spread of counterfeiting. The same multidisciplinary approach is at the basis of the entire Programme on Anti-counterfeiting created by the Institute, that foresees a series of activities in different sectors and of which this report is a component.

These are the motivations that drove us towards the creation of the two sets of guidelines that are presented in this report, which are dedicated to two aspects that are apparently very distant from each other (investigations and awareness raising) but that, by virtue of the aforementioned complexity of counterfeiting, represent two important elements of a wider strategy. It is now important to define some of the concepts that we have briefly presented in order to better clarify the reasons behind our choice of topics and our commitment.

#### **- Management of the counterfeiting trade**

People usually identify counterfeiting, and especially the counterfeiter, with a stereotype: a street seller in crowded city streets and squares or in local markets who is

selling pirated CDs/DVDs or fake luxury bags and designer sunglasses. The diffusion and acceptance of this stereotype are among the most important reasons contributing to spreading a wrong perception of the phenomenon. According to this perception counterfeiting would be a “victimless crime” or a “second class crime,” which would not cause “real” consequences to the society or to consumers, but only economic prejudices affecting rich multinational corporations. The truth, however, is quite more complex.

The profits from the counterfeiting trade along with its actual dimension are probably the starting point that allows us to explore the problem more in depth, while illustrating the limits of this interpretation. We can immediately affirm that, at a global level, counterfeiting represents a volume of international trade worth 200 billion USD, as estimated by the Organization for Economic Co-operation and Development (OECD) for the year 2005.<sup>1</sup> The update of this data published by the OECD in 2009, which also includes figures for 2006 and 2007, presents an increasing trend of the production and distribution of counterfeit products. OECD experts estimate that the volume of internationally traded counterfeit goods has reached 250 billion USD in 2007, increasing the relevance of these products with respect to the total global trade from 1,85% in the year 2000 to 1,95% in 2007. This apparently small variation is in reality extremely alarming if one considers that the volume of international trade has doubled in the same years. Counterfeiting is clearly an incredibly big and attractive business, which can generate higher profits than those attained from drug trafficking at a lower risk, given that national legislations usually provide for softer penalties.

High profits and low risks are an explosive combination and a lucrative opportunity exploited by organized crime. There is a phrase that captures the “spirit” at the basis of organized crime involvement in this activity: “It could be the buying; it could be the selling; it could be the manufacturing. But with the profits on offer, organized criminals are not going to leave it all to some guy in a garage, are they?” This phrase, which first

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<sup>1</sup> In this estimation the OECD considered only internationally traded products. If nationally produced and sold products as well as digitally pirated products exchanged via the Internet would be considered, this estimate would increase of some hundred billion dollars.

appeared in Tim Phillips' book *Knockoff*, illustrates how counterfeiting represents simply too good an opportunity to leave unexploited.

This opportunity for organized crime arrived in a particularly favourable historic moment for criminal organizations, which had already completed that transformation process that brought them (particularly the Italian Mafias) to change from a hierarchic, structured and closed organizational configuration to a veritable international criminal enterprise, developing synergies with other criminal groups operating all over the world. The reasons behind this mutation, which happened during the 1970s, are well known and can be essentially found in the nature itself of the goods that criminal organizations were interested at trading at that time: drugs. These are usually produced in a distant place with respect to their final commercial destination.<sup>2</sup> In an attempt to manage a trade linking together various parts of the world, criminal groups had to create alliances with other organizations, creating a subdivision of roles and a veritable illicit production/distribution chain. The traditional hierarchical structure, characterized by a strong tie to the territory, could hardly do this job, so criminal groups became transnational and started internationalizing their activities. The synergies created have a twofold advantage: they grant optimum logistics and allow to trade different types of illicit products using the same routes and methods.

The involvement of organized crime in counterfeiting also follows the expansions of the criminal organizations' areas of interest. Modern criminal groups do not limit themselves to managing a series of activities traditionally associated to their operations. On the contrary, they have progressively become more and more involved in activities usually associated to what was once known as "economic crimes." Counterfeiting, however, differs from other activities because of the "complicity" that in some occasions is created with the potential victim of the crime. The buyer of counterfeit products (with the exception of a few extremely important cases) does not consider him/herself as a victim of the crime and is therefore not likely to report it to the authorities, even in the

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<sup>2</sup> This characteristic is associated with the trafficking in drugs but also other kinds of trafficking in which organized crime is involved such as trafficking in arms and human beings.

case the consumer recognizes how much cheated he/she was after having bought an extremely low quality product.<sup>3</sup>

Counterfeiting also plays a very important role for criminal organizations, as it allows them to launder the proceeds of other crimes and to obtain new financial resources to fund different illicit activities, all at relatively low risks. The result of these multiple connections is a complex economic circuit connecting different types of traffics and interests of various criminal groups. Counterfeit products produced or purchased by an organization with capitals deriving from other crimes (usually characterized by a higher degree of risk) are sold and traded, allowing for the possibility to launder that dirty money and to reinvest it.

The Union des Fabricants (UNIFAB) had launched the alarm regarding organized crime involvement in counterfeiting already in 2004. A first evidence of this situation could derive from the dimension itself of the production-distribution system of fake goods. This dimension and its organizational level were in fact not justifiable without the direct involvement of well organized and connected transnational criminal groups. Counterfeiting is no craftsman's activity and the production-distribution system demonstrates an incredibly effective and rapid capacity to respond and adapt to changes. The entrepreneurial level of this activity can also be observed by paying attention to diffusion of technology in production sites. In this regard, UNIFAB reported the discovery of production sites in countries such as China, Thailand, Turkey or Russia, which were equipped with significantly advanced manufacturing tools that, despite the elevated costs, are available to counterfeiters.<sup>4</sup> Rapid adaptability to changes and the operational capacity of counterfeiters are evident in a reported case involving a full CD

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<sup>3</sup> The possibility of being deceived is part of the game, so to say, and it is considered by the conscious consumer as one of the risks inherent to the purchase of a counterfeit good.

<sup>4</sup> "... il est inquiétant d'observer que, même s'ils nécessitent un financement important (de 50.000 à 100.000 euros pour certains moules et de 300.000 à 600.000 euros pour une ligne de production de matières plastiques), ces équipements sont malgré tout à la portée des contrefacteurs. Cela prouve bien que l'on n'a plus affaire à de petits délinquants amateurs." Cfr. Union de Fabricants (2005), "Rapport Contrefaçon et Criminalité Organisée, 3ème édition, p.10.



production plant, managed by Chinese organized crime in Hong Kong, which was dismantled and rebuilt in Paraguay.<sup>5</sup>

The dimension of the phenomenon, the economic resources used, the capacity of circumventing controls and inserting the products in the market through different channels, and the experience derived from concrete cases, are all factors that leave no doubt about the involvement of organized crime in the management of counterfeiting. Criminal organizations, knowing the lucrative profits they can obtain, have further developed this criminal activity and have turned counterfeiting into a real mass production industry, ready to satisfy conscious buyers' demand and cheat the unaware consumers.

The transnational element of the phenomenon is confirmed by numerous studies. For example, it is believed that the majority of the counterfeit products traded within the European Union (EU) would originate from outside the EU, from countries like China, Thailand, Morocco, or Turkey. However, the EU itself is a very active production centre: countries like Italy or Portugal are usually associated with the production of fake textile goods, while counterfeiters in Spain and Italy would be among the most active producers of fake spare parts for the automotive sector.<sup>6</sup> These products are not only intended for the producing countries' internal market, but they are also frequently exported, rendering the Community area a very important strategic point for the production, transit and selling of counterfeit merchandise. The UNICRI Report "Counterfeiting: a global spread, a global threat," published in 2007 and implemented thanks to the financial support of Fondazione CRT, highlighted the criminological aspects characterizing these phenomena and brought the attention on the serious risks for citizens' health and safety deriving from the presence of several categories of counterfeit products.<sup>7</sup>

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<sup>5</sup> Cfr. WIPO (2004), National Seminar on Intellectual Property for Faculty Members and Students of Ajman University, p.8.

<sup>6</sup> Cfr. CEIPI (2004), "Impacts de la contrefaçon et de la piraterie en Europe", p.25.

<sup>7</sup> Cfr. UNICRI (2007), "Counterfeiting, a Global Spread, a Global Threat".

The same UNICRI Report also highlighted how the potential negative consequences for consumers would exponentially increase as a consequence of the level of organization existing behind the traffic of these goods. This degree of organization is evident also during the final phase of distribution when the product reaches the consumer. This phase may be structured in different ways and it shows an array of various methods that are often used based on the kind of counterfeit product traded and the type of consumers to whom it is intended. In the case of counterfeiters offering products that do not pose a risk to health and safety (such as CDs/DVDs or luxury goods) and these products are to be offered to conscious buyers, then street selling is one of the preferred channels, usually by means of small criminal groups that are generally active in retailing various illegal goods. However, the choice of “trading” method for this same categories of goods may vary when the type of consumer targeted is different; this shows a veritable planning capacity on the part of the criminal group with reference to the distribution phase. In the case of products intended for unconscious buyers, counterfeiters may need to insert the goods into the legitimate distribution circuit. This may be realized using different methods; first of all it is possible that the fake products are given to a retail shopkeeper who, on his/her part, may be: 1) in good faith and cheated by the counterfeiters; 2) forced by criminals to accept the deal; or 3) an accomplice or a member of the criminal organization.<sup>8</sup>

The concrete and verified possibility for counterfeiters to insert products into the legitimate distribution network, and the concrete and verified possibility that these products are sold to consumers in good faith, open new scenarios in relation to the phenomenon. There are in fact many products whose use is potentially extremely dangerous for consumers, particularly if the production of these goods does not respect a series of standards and procedures.

### **- Counterfeiting and risks for consumers**

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<sup>8</sup> “...plusieurs personnes interrogées affirment que d’une manière générale, les détaillants qui vendent de produits de contrefaçon le savent, notamment au regard du prix du produit ou de sa qualité, et nombre de ceux qui vendent de tels produits sont de membres à part entière de cette chaîne criminelle.” Cfr. CEIPI, op. cit. p.28.

The serious consequences that counterfeiting may create are a decisive element to refuse any tolerant view of this problem. The said consequences and their seriousness are strictly linked with the kind of good replicated and its intended use. Unfortunately, technological advances and the easiness with which technology is available to counterfeiters create a situation in which every product on the market can be copied. It is not just a question of criminals introducing in the market “only” audio-visual pirated products or fake luxury goods (illicit activities that have to be properly countered anyways), considering: the economic prejudices caused to legitimate Intellectual Property Rights (IPR) holders, the decreased taxes and revenues collected by governments, and the money flow they grant to criminals.<sup>9</sup> Counterfeiting is a real menace for citizens’ health and safety around the world, created by the unscrupulous search for profits pursued by the very same criminal organizations that are very active in other illicit sectors, such as drug trafficking, arms smuggling or human trafficking.

In order to better understand the dimension of this menace, it may be useful to rapidly look at some of the consequences that may be created by certain typologies of counterfeit products in relation to consumers’ safety. However, before doing this we may want to consider “how far counterfeiters have gone.” Taking this aspect into consideration means refusing once and for all the idea that counterfeiting is “only a matter of bags and sunglasses.” Nowadays, counterfeiting is a matter of fake medicines, fake toys, fake foods and beverages, fake spare parts for cars and aircrafts.<sup>10</sup> It is a matter of products turning into potential killers for their users. Just to mention an example, in order to avoid any problem to their users, toys are produced following strict standards indicating which raw materials can be used, and they are labelled as suitable for determined age groups. If similar considerations are also valid in the case of foods,

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<sup>9</sup> Being, in fact, a submerged market composed by illegal products, there is no possibility for States to tax these products, which virtually do not exist for a State’s government. Cfr. UNICRI, *op. cit.*, p.41.

<sup>10</sup> In an attempt to point out the involvement of organized crime in counterfeiting and the level of danger that stems from the insertion into the market of determined categories of products, UNICRI launched its first report in 2007. UNICRI also foresaw the preparation of a series of specific reports, each of which dealing with different typologies of products (medicines, spare parts for cars and aircrafts, food and beverages, children toys and electronic products). The first of these product-focused reports, devoted to the problem of counterfeit medicines, will be launched in summer 2010.

beverages and for spare parts, even stricter controls and regulations are in place for what concerns pharmaceutical products. Respecting defined production processes and pre-determined quality standards of the raw materials constitutes not only a guarantee of the product's quality, but also and in particular a warranty of its safety. Not respecting even one of these standards may have tremendous consequences on the person that will use the product. Toys produced using toxic paint or easily detachable materials could be potentially hazardous to children, causing poisoning or choking; but also toxic foods and beverages, defective spare parts, and counterfeit pharmaceutical products (that do not contain active pharmaceutical ingredients or that contain poisonous substances) are all concrete examples of how dangerous counterfeit products can be.<sup>11</sup>

#### **- Conscious and unconscious buyer. The role of law enforcement**

It is important to mention the difference between conscious and unconscious buyers of counterfeit goods, since this distinction may allow us to understand how to properly communicate to the citizens the seriousness of this problem and how important it can be for them to attentively evaluate their purchase choices if they care about their safety and the one of their loved ones.

This introduction is necessary because, if consumers are unlikely to voluntarily choose the so-called “fake” for certain types of products (such as medicines, cosmetics, foods and beverages, toys, and spare parts), for other ones this is not valid because they do not associate any danger to their use (as would be the case for electrical components and devices, as well as some apparently not-hazardous products like razor blades).

However, in both cases it is important to point our attention on the lack of information allowing consumers to: understand what the phenomenon really is and how dangerous it can be; guide them in their choices; convince them to avoid superficial

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<sup>11</sup> The list of potentially dangerous products is not exhaustive and represents a simplification in view of the exposition of the facts in this report.

behaviours potentially counterproductive to their own good. We may now present some examples that are apparently very different among each other.

1) A consumer could believe that there is no difference (apart from the price) between a medicine purchased in the nearby pharmacy and the same one ordered through an on-line pharmacy, even because the latter will try to reassure the potential buyer by presenting on the web-site all the necessary authorizations and will not fail to request a medical prescription, proving how professional it is.

2) The same consumer could be easily cheated by an apparently innocuous and low-cost mobile phone battery charger whose quality is not easily definable before its actual use. In this case the consumer thinks that the price differential does not justify the purchase of the original product, not knowing that this fake product may cause the battery to explode with serious consequences for the user.

There is a fundamental difference in the two cases presented, as there is also a very important element that is common to both of them. The difference is essentially linked to the purchase moment. The “medicine purchaser” is most probably in good faith and is looking for a genuine product, while the “battery charger purchaser” is not. In the first case the consumer may justify the price differential with the fact that, by using the Internet, the normal distribution channel is bypassed, thereby providing a sort of low-cost version in selling pharmaceutical products. The situation for the second case is different, and the price differential together with the fact that this sort of product is normally bought in small local markets or by street sellers, brings us to believe that we are dealing with a conscious buyer.

The two examples, however, have also a point in common: the lack of information of which the majority of consumers is a victim. There is, in fact, a lack of information that exists at different levels, not only in terms of quantity of news and exposure to it, but also in terms of the quality of what is communicated. The seriousness of the message, coupled with the fact that it can convey the hazardousness of counterfeiting, are among

the most important elements that can allow citizens to change their perception of the phenomenon, leading them to change their consumption attitudes.

The huge business of counterfeiting is in fact strictly dependent on one assumption. This assumption is that consumers must be convinced of the benefit they are obtaining by buying counterfeit products. Counterfeiters must be persuasive in showing that this is a winning game for consumers and the possibility to buy a low quality product is simply part of this game. They must be convincing, in any case, in demonstrating that this is a good bargain, fooling producers who decide to sell their products at such high prices. In this precise moment, conscious buyers may perceive themselves at most as a sort of “accomplice” of the counterfeiter, but never a victim. They can even think that they are accomplices of an activity that, in their opinion, does not cause consequences for them, for their loved ones or for society. This attitude prevents citizens from considering counterfeiting as a socially unacceptable behaviour, while in some cases it may even be considered as a way to react to the power of rich multinational corporations. One of the many elements that are missing from this perception is that criminal organizations are exploiting this attitude (perhaps generated when counterfeiting was more of a craftsmen work) to gain huge profits thanks to the general belief that sees this phenomenon as creating neither consequences nor victims. However, the reality tells a complete different story, showing the cruel side of counterfeiting.

The lack of information and awareness on the phenomenon and on its consequences is an element that consumers often have in common with law enforcers. Many still consider counterfeiting as an illicit behaviour that does not deserve the precious time and resources that law enforcers have at their disposal to conduct investigations. It is still a reality that the involvement of organized crime is often not investigated, whilst instead we desperately need a great commitment of those who are in charge of ensuring the respect of the Rule of Law.

The informative moment is the *trait-d' union* of two complementary elements that contribute to create the basis to construct a multidisciplinary strategy against the

phenomenon: investigations and awareness. The effectiveness of this strategy passes also through the elaboration of instruments supporting law enforcers' investigations and the implementation of awareness raising campaigns targeting the various subjects involved at different levels of the problem.

The creation of these guidelines is dedicated to these two important aspects. Its realization was possible also thanks to a strong cooperation established with the General Headquarters of the Italian Economic Police (Guardia di Finanza) and the Italian National Anti-Mafia Bureau. Their involvement and the fundamental role they played for the implementation of this work are an important and strong signal of how reality is progressively changing, and that the fight against counterfeiting is increasingly considered a part of the overall fight against organized crime. Their contribution allowed us to be supported in this work by experts with notable experience and professionalism along with the fundamental contribution from those who are fighting organized crime on the streets of our cities every day.

## **Methodology**

The realization of these guidelines has been greatly influenced by the analysis conducted by UNICRI in the aforementioned report “Counterfeiting: a global spread, a global threat.” This experience allowed us to highlight the possible weak links in the response to counterfeiting from several points of view. With the aim of stimulating a positive change in this response, the report contained a series of recommendations, including also some of the topics that are presented in these guidelines, in particular supporting law enforcers’ investigations; these were specifically referred to two needs: providing police forces with a sort of “guide” on how to deepen investigations to discover organized crime’s involvement, and the need to improve information and communication conveyed to the public with the aim of sensitizing consumers and showing them what counterfeiting really is. This series of recommendations together with the efforts done by the Institute in trying to put them into practice are at the basis of the High Commend that UNICRI received in Stockholm at the 2008 Global Anti-Counterfeiting Awards.

Thus, the development of these guidelines follows the route paved by the 2007 report and is a practical experiment of an intervention in two crucial sectors of the aforementioned multidisciplinary approach. Being this a first experiment for us, we decided to carry it out at a local level (national and sub-national), but having in mind the possibility of expanding the approach in the future to other countries and geographic areas. The link with the local territory has been concretely implemented thanks also to the excellent cooperation established with Turin’s Guardia di Finanza, apart from the previously mentioned important support received by the Headquarters of the Guardia di Finanza and by the Italian National Anti-Mafia Bureau. Their work has been fundamentally important for the implementation of the investigative guidelines.

With reference to the awareness raising guidelines, the first step was the collecting several examples from different sources. The collection started with an awareness campaign template kindly provided by the Royal Canadian Mounted Police (RCMP) and the Finnish Customs. This template, focused on the risks of counterfeiting, was initially



elaborated by the RCMP and subsequently used by different EU Customs' authorities to launch a common awareness campaign in several European. Other examples have been collected from different sources with the aim of comparing these campaign samples to highlight their differences in terms of type of message, means, approach and possible reaction from consumers.

The analysis phase conducted during the following months allowed us not only to propose a first classification of these models, but also to identify a new and original approach that could be created as a synthesis of all the positive elements found in the various campaigns we examined. This new approach should be necessarily based on an analysis that had to consider: a) what consumers want to be told; b) what can create the spark that tells them to consider the message as trustworthy; c) who is the best subject to pass the message on in view of maximizing its effect; and d) what aspects of the phenomenon need to be highlighted most.

After a preliminary analysis of the campaigns collected and after consultations with other experts, the ethical element connected to the use of counterfeit products emerged as the possible novelty with a very high convincing factor for consumers. However, the same analysis and contacts also revealed how important it would be for the success of a campaign to base its planning and implementation upon a research to profile the target. All these elements were also confirmed by the group of experts participating in the *Global Safe Shopping Group*, of which UNICRI is a member.<sup>12</sup>

Some of the reasons underlying the interest of different stakeholders in this approach may be found in the fact that ethical consumption is a cross-sectoral concept; moreover, it cannot be associated only to a specific type of product or category of goods, showing consumers that by buying a counterfeit they are tolerating and supporting child and slave labour. The same can be said for what concerns organized crime's involvement.

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<sup>12</sup> Apart from UNICRI and *Authenticity Foundation* (the co-promoter of the initiative), this working group also included experts from: the Office of the United States Trade Representative, the European Commission Observatory on Counterfeiting, Microsoft, Toyota, Estée Lauder, Johnson & Johnson and Nokia.

The importance of consumers' profiling was also recognized, and for this reason we decided to insert this element into the awareness guidelines presented in this report. The methodology we followed here was also focused on two main phases: 1) collecting the available researches on the subject; and 2) participating in or liaising with groups that were already conducting similar projects. The contacts established with the Business Action to Stop Counterfeiting And Piracy (BASCAP) of the International Chamber of Commerce (ICC) have been of fundamental importance in this regard, providing a great amount of information from the work BASCAP has conducted.

The analysis of the researches collected and the information received by this group allowed us to verify a series of hypothesis deriving from our preliminary research, and to complete the work with consideration to consumers' profiling. The different approaches used in awareness campaigns, together with the original idea of the ethical approach, have been then compared with the deterrents and driving motives at the basis of the purchase of counterfeit goods, as identified by the BASCAP's research.

The investigative guidelines are now ready to pass through a pilot test phase thanks to the support of the Guardia di Finanza that will apply them for a given period. The results of the pilot test will allow us to further refine the work, and they will be communicated as soon as the test is complete. Albeit created on the basis of the Italian legislative and operational framework, we believe that they can represent an interesting example and starting point for a possible replication of this experience in other countries. The guidelines are the result of an important cooperation exercise and it is exactly this aspect that may be successfully reproduced. The proposed model is based on the consideration that the investigation phase must be preparatory to the judicial one, having the most complete and accurate collection of evidence possible to properly support prosecutors. UNICRI is ready to support all new exercises aimed at transferring the experience acquired with this work in other countries.

### **3. Public awareness**

#### **3.1 Introduction and methodology**

Generally speaking, consumers at large play the role of victim or of “accomplice” of several typologies of counterfeiting. If one takes into account luxury goods, CDs or DVDs, and, to a certain extent, also electronic devices, consumers are often attracted by the lower prices of non-original goods, by their vast diffusion and availability, and by a high degree of certainty regarding that they will not be punished by law enforcers for purchasing a counterfeit good. Consumers seldom realize that this behaviour may cause serious consequences for him/herself at for the society at large, and they do not perceive that they have been cheated because of the low quality of the product purchased. On the contrary, conscious buyers of counterfeit products often consider themselves smarter than those paying more to purchase the original product; this attitude turns them, so to speak, into an “accomplice” of the counterfeiter.

This means, in our opinion, that if it is fundamentally important to inform consumers on what is “behind” the phenomenon, it is also of paramount importance to provide this information through a “message” that has a high potential to hit their sensibility, with the aim of convincing them that buying a counterfeit is never a good bargain. What has been said so far has a different relevance when referring to unconscious buyers; in this case, the information provided should focus more on the safeguards that may be used to avoid being cheated.

However, reaching consumers’ sensibility could be far more difficult than one may think, especially when the meaning of a message regarding a fact or phenomenon is in contrast with its perception rooted within the public conscience. With this work, we intend to create an instrument that may at the same time inspire and concretely provide guidance to those who are approaching the extremely difficult task of designing an

awareness campaign or elaborating an awareness message. Consequently, we started by analyzing what has already been done at the international level in terms of awareness campaigns, giving particular consideration to the type of message used and to what kind of consumer that message was directed (conscious or unconscious buyer). This initial step was followed by a more direct phase, involving the participation in several working groups in charge of discussing and studying a possible profiling of the consumer of counterfeit products upon which an awareness campaign could be created. This second step was aimed at identifying the methodologies that work and the difficulties encountered when performing this kind of work.

Our participation in the Global Safe Shopping Initiative (GSS) has been particularly important and helpful. The GSS is aimed at finding a new way forward in the strategies used to raise consumers' awareness, highlighting the non-ethical aspects of buying counterfeit goods. One of the most interesting elements of this initiative lies in the recognition of the importance of examining and profiling potential counterfeit buyers in different countries to properly shape a common message that could be used in a common campaign in different markets. In light of this, the "ethical choice" could constitute a turning point for the elaboration of awareness raising campaigns, given its potential to attract the interest of the general public. The GSS experience proved to be very interesting also for other aspects. First of all, it has been quite surprising for us to note that the GSS participants were cross-sectoral, as the group was formed of representatives of both the public and private sector. Furthermore, it has been interesting to note that all the participants were convinced of the fact that the message of the campaign should not be linked to any particular sector or promoter. The result of the discussion consequently pointed the attention to the neutrality of the message, underlying that a multidisciplinary approach could be a winning point, also within a single line of intervention (as could be represented by awareness raising for a global strategy aimed at countering the phenomenon).

The GSS was one of the few attempts in which representatives of different sectors sat together to discuss and plan a common campaign, recognizing for the first time that the ethical aspects involved in purchasing counterfeit goods can potentially be extremely

important for their high capacity of influencing consumers' choices. In our opinion, such a group, formed by experts representing different public and private sectors, should have as primary objectives: 1) the analysis and creation of different consumer profiles in different geographical areas; 2) the comparison of the results obtained from the profiling phase, switching the creation and planning of information campaigns to a supranational level, losing the link to the singular product or typology; 3) launching a common awareness campaign based on phases 1) and 2) at the international level.

The results that could derive from the consumers' profiling are among the most interesting one for our work, as they already represent a guide for the elaboration of informative messages aimed at reaching citizens' consciousness. However, it is important to preliminarily analyze the different approaches followed so far by the majority of the awareness campaigns already implemented on counterfeiting. After this analysis it will in fact be easier to proceed further and elaborate their possible development.

### **3.2 The various approaches**

The effectiveness and "success" of an awareness raising campaign is strictly connected with: 1) the type of message that one wants to convey, 2) how this message will be practically transmitted, and 3) the impact that these two elements will have on the campaign's target.

The term "success" may in this case well represent the moment when the message that the organizer of the campaign wants to pass has really reached the conscience of the target and will modify (or reinforce, depending on the circumstances) his/her behaviour.

For this reason the three elements mentioned before have a very important strategic role. Furthermore it is important to consider that in many occasions, due to the way the information is presented to the target and to how the latter further elaborates the information received, the campaign will not directly transmit a message (for instance: "don't buy counterfeit products!"). On the contrary, it often tries to stimulate the target's conscience by means of an explicit message (for instance: "counterfeit products may

harm your health and safety”) that transmits a consequential and hidden message (“don’t buy counterfeit products!”).

When referring to the type of message, we mainly indicate which aspect of a given problem we want to highlight and transmit. With specific reference to the topic of counterfeiting, this type of message could refer to any of the various consequences it creates or to any of the aspects that constitute the various facets of the phenomenon. Thus, selecting the type of message is the first step in planning the campaign. For counterfeiting, the choice of a message intending to highlight the most evident aspects of the problem may fall on: its economic consequences, its diffusion, or the different types of commodities counterfeited. Campaigns based on the risks and on the more hidden elements of the problem may focus on: job losses, consequences for the health and safety of consumers, or the involvement of organized crime.

In reality, even this preliminary and quite simple differentiation reflects a precise choice: 1) highlighting to those aspects of the problem that are, in some ways, already present inside the target’s conscience, stimulating them, and deeming that these aspects could properly convey the subliminal message; or 2) focusing on the less known aspects, and presenting them to influence his/her awareness, “shaking it” and allowing the subliminal message to root itself and modify the target behaviour.

The second element, “how” to transmit the message, does not just refer to the choice of the best means/media; in reality it foresees a more delicate decision: choosing the way in which one wants the target to receive the message and react to it. The easiest example in this regard is the presentation in positive or negative terms. Both the explicit and hidden messages can be presented in different ways and according to different modalities that may, ideally, be placed in a scale of increasing positive or negative presentation.

As already mentioned in the case of the “type” of message, the choice of “how” to transmit it depends on a precise decision of the campaign planner, and is mostly linked with the feeling or emotion that one wants to convey to the campaign target. Transmitting

the message by highlighting its seriousness rather than by way of humour, are clear examples of the different approaches. The combination of these two elements, “type” and “mean,” is not always completely free, since certain message typologies require a determined approach in relation to how they are transmitted. With specific reference to the counterfeiting topic, some aspects could be brought to the attention of the public using different “means,” while others aspects (such as the consequences for consumers’ health and safety) will not allow for an ample choice, or may not be lightly approached through humour (as in the previous case).

After this introduction, we may now pass to the analysis of some approaches used at the international level in awareness raising campaigns on counterfeiting. The aim of this analysis is to develop an interpretative framework that will permit to classify awareness raising campaigns on the basis of certain fundamental elements. These elements are essentially linked to the type of message and the means used. This attempt does not intend to create any definition or rigid categorization, also taking into consideration that in many occasions the various elements forming the informative moment may belong to different categories. As a consequence, every scheme is only indicative in its purpose and has to be interpreted as an exercise aimed at providing general guidance on the various approaches used.

The first element useful for our classification is the modality chosen to implement the campaign. From this point of view we may differentiate those campaigns that are “spread” from those that are “on the field.” This terminology we decided to use reflects a possible variation of the place/modality in which the informative moment was implemented. Following this proposed differentiation, “spread” campaigns would possibly use different communication tools, with the aim of reaching the widest number of people, without being linked to a specific place. On the other hand, “on the field” campaigns have a direct link with a specific context, so that they can be implemented in a place where they can reach the greatest number of people with the selected media, or where it is believed that the targets are more receptive to the message.

A classic example of this kind is the activity performed by a campaign group working in various roads and neighbourhoods to distribute informative materials to pedestrians and trying to establish a possible dialogue with them after having caught their attention. This is the case, for example, of the campaigns organized by the *Union des Fabricants* (UNIFAB) in France on 2004 (Image 5) as well as the “Itinerant Cube” against counterfeiting (Image 6) promoted in 2006 by the Italian Leather Producers AIMPES.

**Image 5**



Francia – UNIFAB estate 2004 / 2005 / 2006 / 2007

**Image 6**



Italy – « The Cube » 2006



The success of these campaigns is greatly dependent on the performance and accuracy of preliminary studies examining the target. Choosing the place and the “means” of a campaign is a consequence of selecting who we want to sensitize (tourists or local purchasers, for instance), and where the chosen target is more easily reachable. For these reasons, the identification of the “place” should be preceded by an accurate study, given that the best place for a campaign may vary according to the product targeted by the message, and according to the kind of consumer that it aims to sensitize.

In 2005, the municipality of Florence launched a vast campaign “on the field,” with the slogan “*Shopping in Florence, watch out what you buy,*” targeting the millions of tourists visiting the Italian town each year, representing among the most frequent buyers of counterfeit products (Images 7 and 8). In this regard, 90,000 leaflets were distributed and 10,000 posters in four different languages (Italian, English, French, and Spanish) were placed at the hotspots identified, such as tourist bus stations, hotels, shops and pubs, and inside taxi cabs. Informative materials were also given to market peddlers.

**Image 7**



**Firenze 2005**

**Image 8**



Firenze 2005

With a certain degree of flexibility, we may also consider as campaigns “on the field” the ones that, even though not materially organized in a square or near counterfeit goods’ selling points, are publicized and implemented on specific “channels” that have a high potential of reaching a given and well defined target. An example of this kind is the US magazine “Harper’s Bazaar.” This magazine is actively involved in promoting the fight against counterfeiting in the specific sector of luxury goods through the publication of articles that have a high potential of reaching the magazine’s usual readers, among whom there may be many potential buyers of fake branded luxury goods.

Two special cases are those represented by the campaigns recently conducted in Rome and Florence, which consist in a combination of actions on the field and spread actions. For example, the campaign that started in Florence in 2007 entitled "Falso, no grazie - No fakes, thanks" initially foresaw the placement of five totems in the historic centre of Florence, the distribution of 6,000 posters to retailers in that area, and the creation of a gazebo (which remained in operation during the weekend of 15-16 December 2007) for the distribution of gadgets and information material (stickers, balloons, bags). In addition, educational initiatives were also implemented in schools. The second part of the program, developed later, turned to hotels, placing in every room printed materials with the symbol of the campaign and information on the

purchase of counterfeit goods. "No fakes, thanks" stickers were also distributed in the tourist information offices and at locations where tourists buses arrive in the city. It is worth noting that such a far-reaching initiative was made possible through the involvement of various institutions and associations: the Italian High Commissioner to Combat Counterfeiting, the Florence Prefecture, the Municipality of Florence, the Chamber of Commerce, the Confesercenti, the Confcommercio, the CNA, the Confartigianato, the Confindustria and hoteliers' association, together with some foreign consulates.

More recently, in July 2009, the Municipality of Rome launched the information campaign "Counterfeiting" with the aim of combating the illegal business and to inform the citizens and tourists about the new rules on counterfeiting. 200 thousand posters were distributed, as well as with static and mobile billboards, brochures, multilingual posters placed in strategic areas of the capital, such as squares, high-tourist routes, the 32 Tourist Information Points. Training initiatives were then started in September, aimed at supplementing the information campaign, including *ad hoc* training courses for the municipal police and the launching of a series of meetings in local schools.

Other factors potentially useful to distinguish between the various campaigns are linked essentially to the approach that is used to target consumers (identified in threat, descriptive or humorous approach) and the content on which they focus (classifiable in terms of consequences for health and safety, criminal or administrative charges, involvement of organized crime, economic and social impact, ethical implications). As mentioned above this classification is itself flexible, as the message and/or means used in a campaign can be a combination of different elements. Turning to the various approaches used in consumers' campaigns, and starting from the "threat," we may now clarify that this term has been deliberately chosen for its harshness, and it indicates any approach that draws attention to negative and punitive consequences for consumers. A clear example of this is the campaign launched in 2004 by INDICAM with the message "A fake product is a real crime" (Image 9 and Image 10) and the Canadian campaign of

2005 with the message "Selling counterfeit products is illegal," in association with a picture of two handcuffed hands (Image 11).

**Image 9**



Italia – INDICAM 2004

**Image 10**



Italia – INDICAM

**Image 11**



Canada - 2006

The initiative promoted by the French Comité National Anti-Contrefaçon (NCAC) in 2006 goes in the same direction and it consists of a series of posters with the same graphic layout, but with different messages highlighting all the negative consequences of counterfeiting. In particular, the following questions are made to the consumer:

- Are you ready to finance organized crime? (Image 12)
- Are you ready to allow counterfeiting destroying 30,000 jobs? (Image 13)
- Are you prepared to risk a car accident? (Image 14)

Image 12



France – CNAC 2006

Image 13



France – CNAC 2006

Image 14



France – CNAC 2006

This approach generally has a strong impact and does not go unnoticed. At the same time, however, there are differing opinions about its real effectiveness, because the so-called threat can often lead to a rejection of the message by the receptor.

With regard to the descriptive approach, it generally explains the phenomenon and its consequences in an attempt to empower the consumer in his/her choices. For example, the campaign for tourists organized in Venice in 2005 and 2006 wanted to show, through images and text captions, who were the actors involved in counterfeiting, namely the tourist, the seller, the manufacturer and the boss (Image 15). To understand the effects that this campaign intended to obtain in the conscience of the consumer, it is important to note that the term "manufacturer" was accompanied by a drawing of a child, thus leveraging on some of the more “hidden” and more “socially unacceptable” elements of the phenomenon.

### Image 15



Italia – Venezia 2005 / 2006

Other examples of this approach can be found in the Canadian initiative of 2005, that associated to the slogans "Counterfeit products fund organized crime" (Image 16), "We lost our jobs because of counterfeiting" (Image 17), and "Would you risk her life?" (Image 18), some explanatory paragraphs to support the message and provide advice on how to recognize counterfeit products.

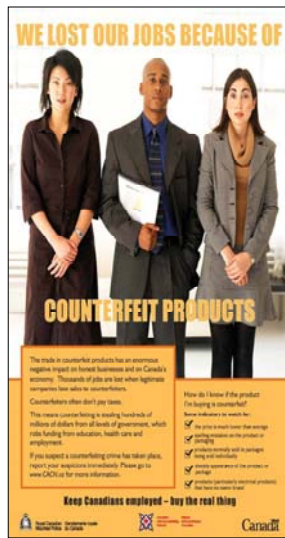
Image 16



Canada - 2006



Image 17



Canada - 2006

Image 18



Canada - 2006

A similar direction promoted in Italy by the campaign Adiconsum (Image 19), which asks consumers to defend quality and product safety and invites them to check the product label and product compliance. Finally, an original example is the campaign

created by UNIFAB in France in 2007, which poses in the background the message "Counterfeiting is unnatural" and presents an explanation about the threats posed by this phenomenon for sustainable, durable and responsible development (Image 20 and Image 21). The positive aspect of this approach can be found in the attempt to educate the consumer, completing the necessary component of the message aimed at attracting his/her attention. It is important to keep a balance between the image, the message and the description, so that the receptor has a sufficient degree of interest in the campaign that stimulates him/her to review the information provided, without perceiving them as simply too long and/or too boring to deserve his/her attention.

**Image 19**



**Italia - Adiconsum**

**Image 20**



Francia - UNIFAB 2007

Image 21



Francia - UNIFAB 2007

The last approach identified is the humorous one, which usually involves the use of cartoons, funny wording and other comic elements to attract the interest of the consumer. For example, the poster created for the campaign undertaken by the Municipality of Milan in 2005/2006 associated the message "You are the real pirate" to the picture of a young boy wearing an eye-patch with the typical pirate motif of the skull and crossbones (Image 22). In 2005 UNIFAB undertook a campaign in a Mickey Mouse

newspaper entitled "Down with the copiers," which included the use of caricatures and cartoons (Image 23), while, in 2004, Happy New Year wishes were associated with the image of a giraffe toy from 1953 and the words "For more than a century, we have been ensuring the protection of all protected species" (Image 24).

**Image 22**



Italia - Milano 2005 / 2006

**Image 23**



Francia – Mickey's Journal / UNIFAB 2005

**Image 24**



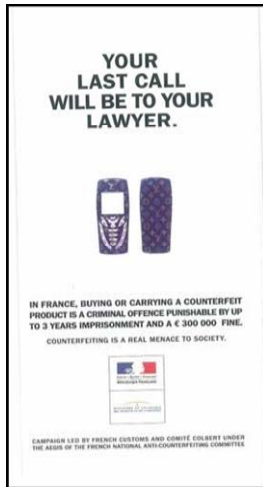
#### Francia - Unifab

Like the others, this approach also contains potential advantages and disadvantages. If, on the one hand, it tends to easily attract public attention, on the other the message sent to the consumer through the humorous approach could risk overshadowing the real gravity of the problem, leading consumers to underestimate its seriousness.

As previously mentioned, the categories outlined are simple moments of interpretation and are not separate compartments. Some campaigns may present a coexistence of approaches, making it very difficult to classify them in one of the proposed categories.

The campaign supported by the Comité Colbert in France is a perfect example, featuring a mixed humorous-threat approach. As we can see from the images (Image 25, Image 26 and Image 27), the image-message link is funny and humorous, but it hides precise threats reinforced by text captions explaining the legal consequences arising from the purchase or transport of a counterfeit product in France. Along the same lines, the campaign organized in Pisa in 2007 (Image 28) links the image of a fish attracted by counterfeit red clothing and accessories hanging from a hook to the humorous phrase “don’t take the bait,” followed by the threat of administrative penalties faced for purchasing counterfeit goods.

## Image 25



Francia- Comité Colbert

## Image 26



Francia - Comité Colbert

## Image 27



Francia - Comité Colbert

Image 28



Italia – Pisa 2007

The campaign depicted in Image 29 and Image 30, designed by the South African Federation Against Copyright Theft (SAFACT), is an example of mixing a descriptive and a threat approach. The campaign has, as its main theme, the slogan "If it's pirated, it's theft," which is used in various posters, and which include a sort of provocation, consisting in associating the images of ordinary people to the text "South African crime supporter." Posters also contain the description of the reasons provided by the consumer

in connection with the purchase of the goods in question. The part dealing with the “threat,” even if the a more indirect element of the message, is represented by an explanation clarifying the consumer’s reasons (showing how inconsistent they are) and by the provocative phrase “South African crime supporter,” emphasizing the gravity of the behaviour and the possible consequences for offenders.

Image 29



South Africa, SAFACT Campaign

Image 30





## *South Africa, SAFACT Campaign*

In conclusion, we can present the advantages and disadvantages of each approach in the following way:

### *1. The “threat” approach*

#### **Benefits**

- Strong impact;
- Ideal for combining rational and emotional elements.

#### **Disadvantages**

- Can generate rejection of the message by the receptor.

#### **Advice**

- Its use may be counterproductive if presenting messages related to administrative and criminal sanctions and if connected to the traditional authority figures (government, police, etc.) and/or the private sector, especially multinational enterprises;
- Can be useful with messages related to the risks for consumers' health and safety.

### *2. The descriptive approach*

#### **Benefits**

- Educates and informs;
- Gives knowledge to consumers.

#### **Disadvantages**

- Very difficult to capture consumers' attention so as to lead them to read the entire contents.

#### **Advice**

- It is very important to balance it with pictures and short messages that are attractive in order to lead consumers to read the information;
- It is important to perform an accurate analysis of the dissemination means.

### *3. The humorous approach*

**Benefits**

- Easily attracts attention.

**Disadvantages**

- There is the risk that consumers may underestimate the seriousness of the message;
- Risk of high volatility of the message.

**Advice**

- It is better to use this approach to attract attention and channel it to more complex messages.

After having analyzed the method of dissemination and some of the approaches used to convey the message, it is interesting to briefly examine its contents. Several campaigns are focused, in fact, on the consequences of counterfeiting. These can be divided into: criminal and administrative consequences, consequences for consumers' health and safety, socio-economic consequences, involvement of organized crime and ethical consequences. The latter category is largely unexplored and unused, and it may represent a new frontier in relation to raising consumers' awareness. Using the ethical element as a factor characterizing an information campaign assumes, however, that a significant involvement and active participation of the private sector is foreseen.

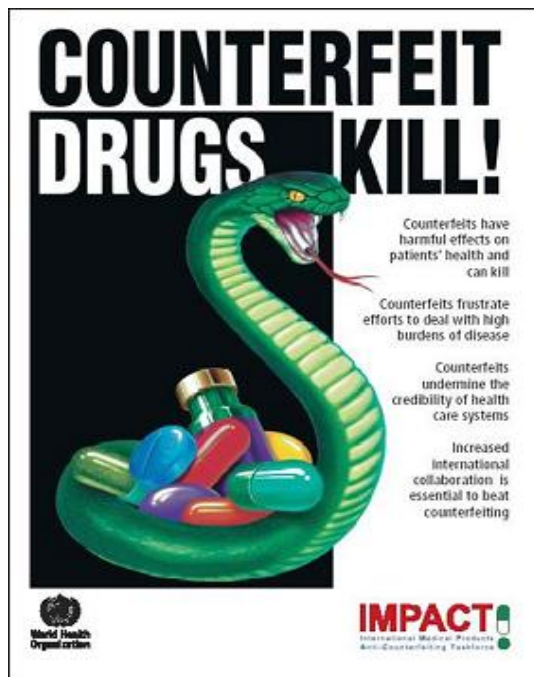
Manufacturers in particular must clearly differentiate their behaviour from that of infringers for what concerns production and distribution practices. Consumers, in fact, may be aware of potential scandals involving the private sector and that the same legitimate producers have faced ethics charges because of their production and/or distribution practices. Consumers must be therefore have the possibility to make a clear differentiation between the using original products and their counterfeit versions, not just in terms of quality, but also from an ethical point of view. They must be sure that the manufacturer meets at least all the legitimate ethical principles, which are actually those violated by criminals engaged in the production/distribution/sale of counterfeit goods.

The messages focusing on the criminal or administrative consequences show, in general, the penalties provided by the law with reference to the purchase and/or

possession of counterfeit goods. Examples can be found in many of the aforementioned cases, such as the campaign of the Comité Colbert in France (Image 25, Image 26 and Image 27). The presence of legislation that "condemns" the infringement, when actually applied, is usually recognized as an effective element contributing to reduce the demand for counterfeit goods. This message, however, does not explain to consumers why counterfeiting is such a negative phenomenon to require criminal penalties and/or administrative measures, having little or no effect on the public's perception of the phenomenon. The risk is that, as a result, consumers would rarely choose not to purchase counterfeit goods because they are frightened by these consequences, maintaining an attitude of sympathy and ignorance towards the phenomenon. This attitude will also vary on the basis of the experience that the consumer has in relation to the actual application of the "threat" and, therefore, of the legislation presented by the message.

Campaigns based on health and safety issues for consumers want to clearly show the advantages of getting an original product. They are based on presenting the difference in quality controls and production that exist between counterfeit goods and the originals, and the consequences that may derive for the consumer. For example, IMPACT, the anti-counterfeiting taskforce created by the World Health Organization (WHO), used to publicize its activities with the message "Counterfeit drugs kill!" associated to an image consistent with its contents (Image 31). The two campaigns promoted by UNIFAB in the 2006-2008 period, illustrated in images 32 and 33, go in the same direction and are aimed at making consumers aware of the risks inherent to counterfeit products, especially in relation to children's toys. The first one is a TV commercial, produced in collaboration with CNAC, combining the image of a stuffed animal on fire to the inscription "Counterfeiting can be hazardous to your safety." The second one plays on the resemblance of counterfeit goods with the original, which conceals, however, a different "substance" that could cause serious safety risks. Other examples can be found in other campaigns represented in Images 14 and 18.

### **Image 31**



*World Health Organization, 2006*

**Image 32**



*TV Spot realized by CNAC/UNIFAB, France 2006*

**Image 33**



*UNIFAB Campaign 2007/2008*

Even if this type of message has proved to be perhaps the most effective at a global level, it is not equally applicable to all types of products. The consequences that may derive from a counterfeit spare part for a car or a plane that does not meet certain production standards are different from the consequences inherent to a luxury bag's lower quality. In the first case, the person's safety is at risk, while in the second case the consequences are less related to the of end user's health and safety.

The approach in question is therefore much more “interesting” for a number of products whose use is associated with a quality guarantee for the consumer, ensuring the absence of adverse effects and potential risks. Referring to the definitions of types of products presented above, we can say that this kind of message is particularly effective with respect to products purchased for their functionality rather than for those purchased for their “status symbol.” To be precise, this approach is particularly well suited for the following categories of products: medicines, spare parts for the automotive sector, electrical components, food and beverages, toys and cosmetics.

The social and economic consequences refer instead to jobs losses, tax and revenues losses for the state, and the consequent negative impacts on welfare systems. Examples of this message can be found in some campaigns described above, see for example Images 13 and 17. Usually this type of content may have significant effects if contextualized with reference to a local situation, so that consumers perceive these consequences as real and very close to them. There are numerous examples of campaigns that contain a message about the involvement of organized crime in the production and distribution of counterfeit goods. Their objective is to empower the buyer with knowledge regarding the fact that his/her choice is probably funding and strengthening organized crime.

For instance, the campaign organized in France by INPI, CNAC and UNIFAB in 2004, warned that counterfeiting is a threat, telling consumers of counterfeit goods that “Organized crime is counting on you” (Image 34). Similar to this is the content of the campaign conducted in Hong Kong (Image 35, Image 36 and Image 37), with the slogan “Keep away from pirated goods” associated with messages such as “Do not sell Hong Kong down the river,” “Do not finance crime,” and “Without your help, how could piracy be so profitable?” An interesting element of this initiative is the ironically positive message delivered in the campaign’s third poster (Image 37), in which a gang of criminals thanks consumers for their contribution to the organization's coffers. Other examples can be found in the campaigns presented in Images 12, 15, 16, 29 and 30, with messages explicitly referring to crime.

### **Image 34**



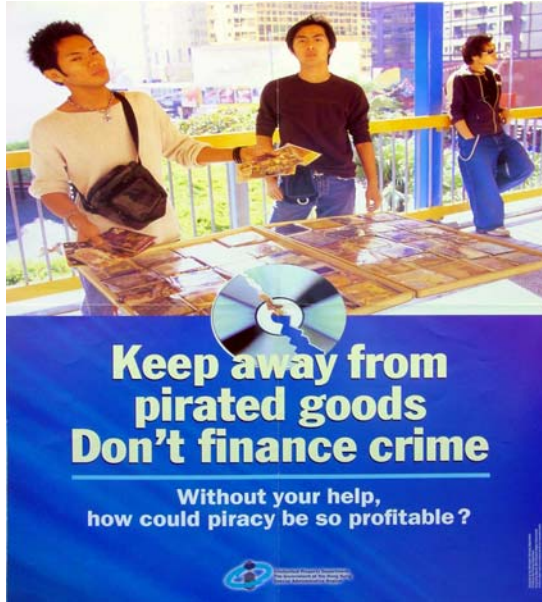
*France – CNAC*

**Image 35**



*Hong Kong – Intellectual Property Department*

**Image 36**



*Hong Kong – Intellectual Property Department*

**Image 37**



*Hong Kong – Intellectual Property Department*

The wide diffusion of this type of content in the campaigns on counterfeiting was supported by the belief of its effectiveness and of its almost universal applicability to all types of products, as it highlights an element that is not inherent to the product itself, but to the management of the different phases related to its production, distribution and



sale. This type of message can evoke a new "emotion" in the consumer, revealing who is really benefiting from counterfeiting; promoting awareness on organized crime's involvement could become a deterrent to buying counterfeit goods. However, the reference to organized crime is not universally effective: a research carried out by BASCAP, for instance, shows that this reference was not an effective deterrent for Ukrainian consumers.<sup>23</sup>

The last type of message content is the one referring to the ethical implications of counterfeiting. These include all those activities throughout the various stages (production, distribution and sale of counterfeit goods) involving human and labour rights violations, the financing of criminal and terrorist activities, prejudices caused to development, damages caused to the environment and to consumers' health and safety. For example, the 2007 UNIFAB campaign (Images 20 and 21), refer to the consequences of counterfeiting regarding also sustainable development, especially in relation to the environment; other initiatives (Image 38 and 39) have also focused on child labour exploitation. The positive element about this type of message lies in its transversal nature and in its possibility to present the many negative consequences of counterfeiting.

The whole approach is rather recent and characteristic of "developed countries." It is therefore to determine its impact, since there is still insufficient empirical evidence and quantitative studies evaluating its actual effectiveness.

### **Image 38**

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<sup>23</sup> Cfr. BASCAP (2009), "Research Report on Consumer Attitudes and Perception on Counterfeiting and Piracy".



Italy, INDICAM, UNIFAB, Municipality of ROME, December 2007

Image 39



France, UNIFAB 2005

## Key Elements

### PENAL OR ADMINISTRATIVE CONSEQUENCES

- The credibility of enforcement is critical for the effectiveness of the deterrent element contained in the message;
- If the message is conveyed by using the traditional symbols of power, it can be counterproductive;

- It does not explain to the consumer why counterfeiting is a phenomenon that needs to be fought;
- It does not imply a change in the attitude towards the phenomenon.

#### IMPLICATIONS FOR CONSUMERS' HEALTH AND SAFETY

- Generally the most effective deterrent at the global level;
- It is best suited for products purchased for their functionality, rather than for those purchased for their “status symbol” effect;
- It is vital to contextualize the message locally;
- Consumers consider the victims of counterfeit products as the most effective spokespersons to convey the message.

#### SOCIAL AND ECONOMIC CONSEQUENCES

- Generally ineffective;
- If used, it is essential that the message be contextualized.

#### CONSEQUENCES RELATED TO ORGANIZED CRIME

- It has the cross-sectoral advantage of being valid for all product categories;
- Its effectiveness varies greatly region by region and probably also in consequence of the type of message.

#### ETHICAL IMPLICATIONS

- It is a kind of message crossing the various product categories;
- Embodies many possible negative consequences of counterfeiting;
- Its effectiveness has not been sufficiently tested, given the novelty of this approach.

### **3.3 The consumer**

So far, not many surveys have been conducted attempting to better understand consumers' motivations for purchasing of counterfeit goods. Some recent studies,

however, have tried to summarize and aggregate the information gathered, often through interviews, to gain a less fragmented view of the results obtained so far. Consumer profiling experiences at the global level are quite rare; it is difficult to find many comprehensive studies analyzing cross-cultural consumer behaviours in different markets, comparing results and highlighting some relevant common points between individuals from very different market realities.

Eisend and Schuchert-Gueler's study (2006) revealed that the majority of existing researches on consumers, are based on samples of U.S. and Asian citizens (mainly from Singapore, Taiwan and China), and are usually referred to products that considered are low-cost, easy to reproduce and/or representing a status symbol value. Examples of these different categories are clearly CDs and DVDs, software, clothing and accessories, watches, perfumes, and sunglasses. Goods mainly purchased for their functionality (and less for their status symbol effect), such as laptops, MP3 players and similar, are not considered by these researches.

At the same time, the variables under investigation are usually the most directly observable, such as those relating to product and price variables, the characteristics of the seller and the demographic characteristics of the consumer.<sup>24</sup> Two exceptions are represented by the studies conducted by Gallup<sup>25</sup> and BASCAP<sup>26</sup> in 2006 and 2009, respectively. The first one concerns a survey conducted 64.579 interviews in 51 countries<sup>27</sup> representing 64% of the world GDP, while the second study covers only five

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<sup>24</sup> Cfr. Eisend M. and Schuchert-Gueler P. (2006), "Explaining Counterfeit Purchases: a Review and Preview", *Academy of Marketing Science Review*, p.4, on line at: <http://www.amsreview.org/articles/eisend12-2006.pdf>.

<sup>25</sup> Cfr. The Gallup Organization (2006), "Global Consumer Awareness, Attitudes, and Opinions on Counterfeiting and Piracy", Princeton, NJ.

<sup>26</sup> Cfr. Business Action to Stop Counterfeiting and Piracy (BASCAP) Research Report, *prev.cit.*

<sup>27</sup> The interviews were carried out in the following countries: Argentina, Armenia, Austria, Belarus, Bolivia, Belgium, Chile, Colombia, Costa Rica, Cuba, Denmark, Dominican Republic, Ecuador, El Salvador, Estonia, Finland, France, Georgia, Germany, Greece, Guatemala, Haiti, Ireland, Italy, Jamaica, Korea, Kyrgyzstan, Latvia, Lithuania, Luxembourg, Malaysia, Moldova, Nepal, Netherlands, Panama, Paraguay, Perù, Philippines, Portugal, Puerto Rico, Russia, Spain, Sri Lanka, Sweden, Thailand, Trinidad and Tobago, Ukraine, United Kingdom, United States, Uruguay, Vietnam.

countries,<sup>28</sup> but it is very extensive and comprehensive in terms of content and elements analyzed.

Analyzing these studies is very useful to identify some of those reasons pushing consumers to purchase counterfeit goods, and to highlight the right deterrents for these purchases.

### **- Consumers and driving motives**

The literature identifies two main categories of consumers of counterfeit products: aware (or conscious) and unaware (or unconscious).<sup>29</sup> With appropriate exceptions and flexibility, this categorization can be connected to a classification of counterfeit goods, divided into: deceptive (or misleading) and non-deceptive (or not misleading). Deceptive counterfeiting occurs when the consumer thinks of he/she is buying genuine goods, belonging to a particular brand and produced in a specific industry, while, in reality, it comes from a different manufacturer. In the case of non-deceptive counterfeiting, the buyer knows that the good is not authentic because of certain elements (such as its price, the place of purchase or some characteristics of the seller).

If these two concepts have, so far, been considered separately, recent studies<sup>30</sup> have emphasized the importance of a spectrum of "deception" that goes from "very misleading goods" to "clearly not misleading goods." Rather than depending on the quality and characteristics of the good, the level of deceptiveness depends also on consumers' perception, which, in turn, is shaped by the surrounding context and by his/her degree of awareness, knowledge and experience. For example, a consumer that is very well informed on counterfeiting, finding him/herself in a shop in front of a product apparently identical to the original one, but sold at an abnormally low price, could question its originality, but without being absolutely sure of its origin.

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<sup>28</sup> South Korea, India, Mexico, United Kingdom and Russia.

<sup>29</sup> Cfr. Eisend M. and Schuchert-Gueler P., (2006), op. cit., p.2.

<sup>30</sup> Cfr. Bosworth D. (2006), "Counterfeiting and Piracy: The State of the Art", Working Paper, Oxford.

To better understand this perspective, it may be interesting to refer to study conducted by Bird (2007) on the sale of counterfeit medicines in the Chinese market, where alternative medicine and different kinds of dietary supplements are popular remedies. These products are often sold in simple packaging, and they are sometimes just wrapped in paper. For the Chinese consumer, therefore, the lower quality of the products' packaging is not necessarily a characteristic relating to a non-genuine product (as opposed to what usually happens in Europe or North America<sup>31</sup>).

Classifying consumers is one of the first steps to take in order to identify and analyze the reasons for purchasing fake goods. If the unconscious consumer, by definition, buys fake goods for the simple reason that he/she believes that they are originals, the conscious consumer's choice is influenced by a number of variables, which in turn include a number of factors.

An initial analysis could lead to the conclusion that the fundamental reason pushing consumers to buy counterfeit goods is predominantly represented by their lower price. One could then assume that counterfeit goods would be particularly attractive only for consumers with lower incomes. In reality, however, many empirical studies<sup>32</sup> have shown that a significant number of high-income consumers (both in industrialized countries and in emerging economies) buy non-authentic goods.

The financial reason is therefore not the only one behind the consumer's decision, which is influenced by many more complex determining factors and motivations. Quantitative researches<sup>33</sup> conducted on various consumer groups have indeed found that the choice for purchasing non-original products depends on a set of different variables such as price, vendor characteristics, socio-cultural context, demographic and psychographic characteristics.

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<sup>31</sup> Cfr. Bird Robert C. (2007), "Counterfeit Drugs: The Consumer Perspective", Working Paper Series, November 1, 2007, Department of Marketing, University of Connecticut, p.12, online at SSRN: <http://ssrn.com/abstract=1033016>.

<sup>32</sup> Cfr. among others: BASCAP (2009), op. cit., Bird Robert C. (2007), op. cit., Eisend M. and Schuchert-Gueler P. (2006), op. cit., The Gallup Organization (2006), op. cit.

<sup>33</sup> Ibid.

In their study, Eisend and Schuchert-Gueler (2006) summarize these variables in an integrated scheme that is useful to understand consumers' choices. The authors identify four broad groups of variables:

- a. Person;
- b. Product;
- c. Social and cultural context;
- d. Location and mood at the time of purchase.

In the model proposed by the authors, these four variables interact, determining the consumers' attitude towards counterfeiting and the decision or intention to purchase counterfeit goods. These two elements (the consumers' attitude towards counterfeiting and the decision/intention to purchase counterfeit goods) are reflected in turn in the consumers' behaviour.<sup>34</sup>

For the purposes of our analysis, a fifth category should be added to this model: the legal framework, which, in our opinion, could be difficult to incorporate into variables related to the social and cultural context. The presence or absence of legislation on counterfeiting, and especially of its enforcement, have the power to influence the assessment made by the consumer according to other groups of variables. The existence of legislation and its implementation have proved to be important elements in the perception that consumers have of the phenomenon. Below, we analyzed five sets of variables based on results obtained from recent theoretical and empirical studies that have been conducted to better understand what underlies the demand for counterfeit goods.

The product category (b) is perhaps the one mostly considered so far. It includes elements such as price, quality and availability of the good, as well as the use that is made of it. The literature identifies two traditional types of goods: those purchased for their status and those bought for their functionality. For both types of goods, the relationship between price and performance is of great importance, although it is equally important to

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<sup>34</sup> Cfr. Eisend M. and Schuchert-Gueler P., (2006), op. cit., pp. 13-18.

distinguish between those products whose quality can be estimated before the purchase (such a short's fabric), and those for which this evaluation seems impossible, as in the case of spare parts for mobile phones. Taking into account the product's quality variable , consumers can be further divided into two groups: those who perceive the quality of counterfeit goods as equal to that of the original, and those who perceive it as inferior. The first group buys counterfeits because it thinks it is making a smart purchase. If these consumers do not buy counterfeit goods, it is because they feel the ethical implication of this behaviour and they do not want to support or be an accomplice of an illegal activity. For the second group of consumers, however, buying counterfeit goods depends on economic considerations and on their attitude towards risk. It is interesting to note that consumers have been shown to identify different levels of quality of counterfeit goods, ranging from those defined as "first class" to those considered as "junk."<sup>35</sup>

The availability of the original product, as well as of the counterfeit one, have often been regarded as key variables together with their respective prices. This statement has also been confirmed by recent empirical studies, but is interesting to note that in some cases the diffusion of certain trademarks may be the basis for purchasing decisions. For example, the aforementioned research<sup>36</sup> conducted on German consumers noticed that some brands have lost their appeal, following the wide dissemination of the original product and of their counterfeit versions. The limited availability of the original product, in fact, may influence not only the perception of the original brand, but also of its copy. As noted by Eisend and Schuchter-Gueler<sup>37</sup> the "commodity theory" provides a framework to explain the role played by the limited availability of the product in the perception of the value of the good, based on the concept of individuals' desire for uniqueness. This also helps answering why and how the loss of exclusivity of a brand may lead to a declining demand for counterfeit versions of the same.

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<sup>35</sup> Cfr. BASCAP (2009), *op. cit.*

<sup>36</sup> Cfr. Eisend M. and Schuchert-Gueler P., (2006), *op. cit.*, pp. 13-14.

<sup>37</sup> *Ibid.*



The determinants related to the person (a) depend on the demographic characteristics (such as age and gender), as well as on psychographic characteristics. These include attributes related to personality, values, attitudes, interests and lifestyles. This category includes factors like attitude towards risk and "sentimental motivation," such as possible aversion to certain companies or brands. Some motivations can be connected to the context existing in the precise time of purchase or to the related emotional state (d). The search conducted by Eisend and Schuchter-Gueler showed, for example, a particular category buying counterfeit goods, tied to the "holiday spirit" that is created when on vacation abroad. In this case, the consumer tends to be in a particularly good mood, and will be open to new experiences, not feeling the usual social constraints. The purchase of counterfeit goods may be related, in some cases, to the prestige of being in those places where the goods are available and consists of a real travel experience for consumers.

The social and cultural context (c), although critically important, have proven to be perhaps the least discussed elements, as demonstrated by the Chinese case described above. Socio-cultural variables can affect the perception of the phenomenon in relation to other groups of variables. This category includes items such as income, socio-economic background, occupational group, and cultural context (such as environment, traditions, beliefs and perceptions in which one has grown). In China, for example, the inventor is traditionally perceived as having a duty to share his/her creative effort with the entire society, as stated in the Chinese proverb "he who shares should be rewarded, he who does not shall be condemned." In the art of calligraphy, the highest level of success is achieved when the handwriting of the pupil is indistinguishable from that of the master. As noted by Bird,<sup>38</sup> the result can be a philosophy of sharing and emulation that makes it more acceptable to buy counterfeit goods.

Another example concerning the influence of the social context is provided by BASCAP's research, examining consumers in India, Mexico, the United Kingdom,

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<sup>38</sup> Cfr. Bird Robert C. (2007), *op.cit.*, p.13.

Russia and South Korea.<sup>39</sup> The data showed that in the countries surveyed, with the exception of the United Kingdom, the trend for purchasing counterfeit goods decreases with increasing incomes. Furthermore, the aforementioned survey conducted by Gallup,<sup>40</sup> showed how the purchase of apparel and footwear brands, music and films is highly correlated with income per capita of the countries considered.

Another example of the social context's influence on the propensity to purchase counterfeit goods can be found in the concept of subjective norm, which identifies the social pressure perceived by the subject when choosing whether or not to carry out a given behaviour.<sup>41</sup> Consumers may in fact be particularly susceptible to information received when the increased knowledge of others influences their choices (for example, when they do not know enough about the product category); those consumers could be subject to rules and social behaviours (for instance, when their interest lies primarily in the status symbol value inherent to an item).

With reference to counterfeiting, friends and relatives may also have an inhibiting or contributing role to purchasing counterfeit goods, depending on whether they agree or not with that conduct. Therefore, de Matos et al. (2007) argue that the approval or disapproval by friends and relatives over the conduct in question may influence the decision of whether or not to purchase counterfeit goods.<sup>42</sup>

Finally, for what concerns the legal environment, research<sup>43</sup> has confirmed the importance of the presence of legislation punishing the purchase of counterfeit goods and of its enforcement. The existence of enforced legislation against counterfeiting influences the perception that consumers have of the seriousness of the phenomenon as well as its social acceptance. It is interesting to note that, according to the Gallup survey, the majority of consumers are convinced that their Governments are not committed to

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<sup>39</sup> Cfr. BASCAP (2009), op. cit.

<sup>40</sup> Cfr. The Gallup Organisation (2006), op. cit.

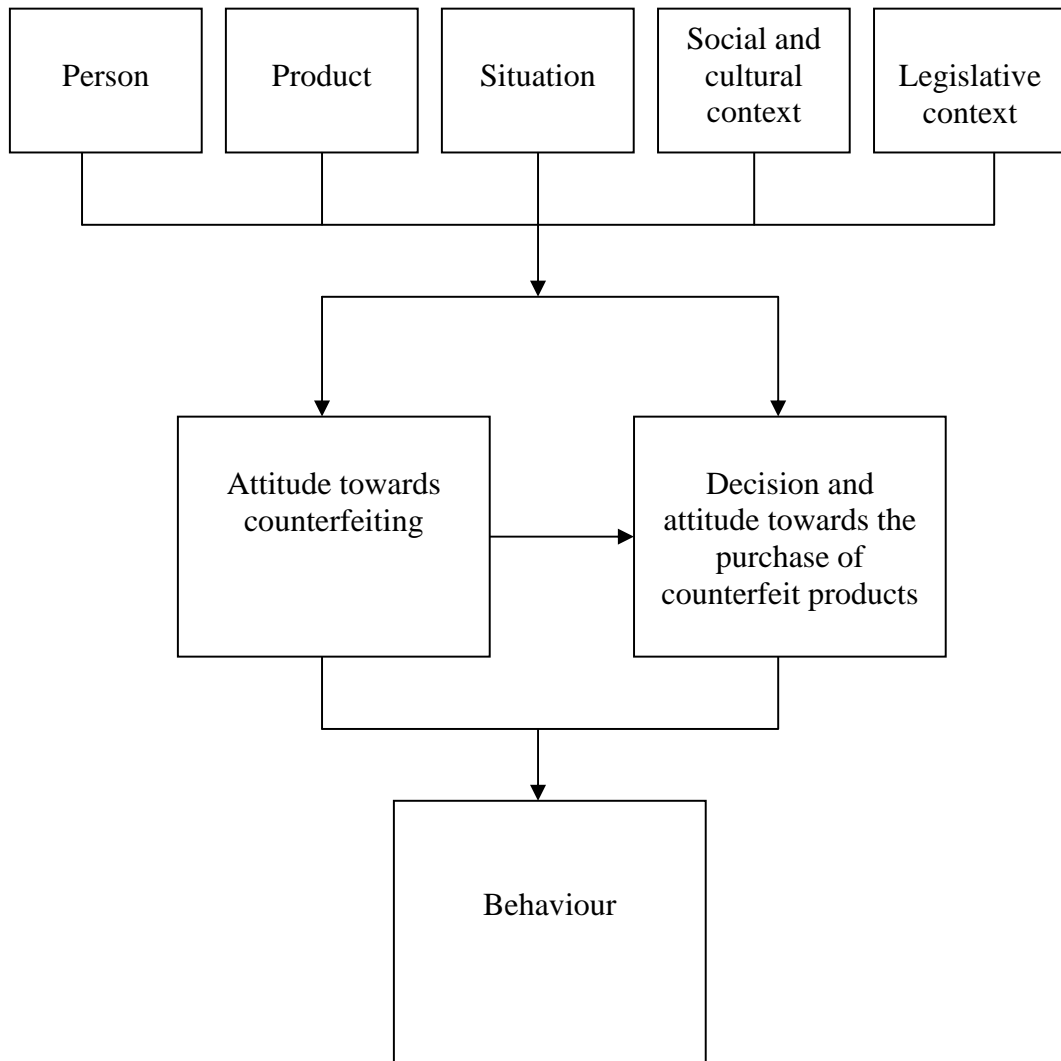
<sup>41</sup> Cfr. de Matos C. A. et al. (2007), "Consumer attitudes toward counterfeits: a review and extension", *Journal of Consumer Marketing*, Volume 24/1, pp.36-47, online at: [www.emeraldinsight.com/0736-3761.htm](http://www.emeraldinsight.com/0736-3761.htm).

<sup>42</sup> Cfr. de Matos C. A. et al. (2007), op. cit.

<sup>43</sup> Cfr. among others, BASCAP (2009), op. cit.

combat and prosecute counterfeiting.<sup>44</sup> Moreover, in a recent article, Chaudhry and Stumpf<sup>45</sup> (2009) noticed that one of the key motivations behind the purchase of counterfeit goods is what they identify as the ethical component: "Consumers would buy a fake because they do not think/do not know that this is illegal or immoral".

**Image 40 Consumer decisional model**



<sup>44</sup> Cfr. The Gallup Organization (2006), op. cit.

<sup>45</sup> Chaudhry P.E. and Stumpf S.A. (2009), "Getting Real About Fakes: If companies want to cut into sales of counterfeit products, they need to understand why consumers buy them in the first place", *The European Business Review*, August 17<sup>th</sup>, online at: <http://www.europeanbusinessreview.com/?p=1335>

*(UNICRI's elaboration of the table presented in page 13 of the research "Explaining counterfeit purchases: a review and preview", by Martin Eisend and Pakize Schuchert-Güler, Freie Universität Berlin and Berlin School of Economics)*

These categories, and especially their interaction, affect consumers' attitude towards counterfeit goods, which in turn influences their decisions of purchasing a non-genuine product. Depending on the item in question, the variables listed above interact differently in the purchasing decision. For example, buying a counterfeit drug involves a greater personal willingness to risk than the one existing for the purchase of a shirt. The consequence in the first case can also be lethal, while in the second case the risk generally relates to the fabric's quality and durability.

In theory, this model can help understanding the complexity and the many factors influencing the attitudes towards counterfeiting, shedding some light on the development of the purchase decision. It is therefore essential that all these elements are taken into account when preparing a public awareness campaign targeting consumers.

Based on the results of the survey carried out by BASCAP, five different consumers profiles have been identified, based on the motivations and perceptions towards counterfeit products.

#### 1. The happy consumer

The "happy consumer" believes that buying counterfeit goods is a smart thing; he/she has a playful relationship with counterfeiting and thinks of him/herself as an expert in finding the perfect copy. He/she usually buys sophisticated products in small quantities. It is found mainly in the UK and in Korea, but also in emerging markets among high-income consumers.

#### 2. Robin Hood

The "Robin Hood" consumer refuses to accept the system the way it is; he/she deems brand products too expensive and challenges the companies' profit margins as well

as the distribution and taxation systems. He/she thinks that large corporations are often immoral and does not see any reason to protect their interests. This attitude is found mainly in Mexico, but also in Russia and Korea.

### 3. The innocent consumer

The “innocent consumer” believes that he/she has a moral right to purchase counterfeit goods because of what he/she calls “a critical personal situation.” This type is mainly present in emerging markets, but also in industrialized countries among the lower income groups.

### 4. The struggling consumer

The “struggling consumer” belongs to lower income groups and often works strenuously to maintain his/her family. He/she does not perceive the problem of counterfeiting and is often unable to recognize an original from a counterfeit. He/she focuses on his/her basic needs and, consequently, has no time or education to question the origin of the product. This consumer typology is particularly present in Russia and India.

### 5. The genuinely frustrated consumer

This “frustrated consumer” wishes to buy original products, but cannot afford their prices. Buying counterfeits results from this frustration, but this consumer is unhappy with them and would feel embarrassed to admit that he/she does not have the money to buy the original. He/she sometimes justifies his/her behaviour as a result of the corporations’ excessive profit margins.

In Table 2 below we emphasized, for each consumer profile, those components that are most relevant for the motivation among: a) quality and performance of the good, b) the cost of the product, c) the ease and convenience in finding it, d) feelings and emotions, and e) ethical aspects.

**Table 2 – Consumer profiles and principal motivations**

	Quality& Performance	Price	Easiness	Emotions	Ethic
Happy buyer	x	x			
Robin Hood				x	
Innocent purchaser		x	x		x
Struggled consumer		x	x		
Genuinely frustrated consumer	x	x			

If these categories are certainly useful to summarize and identify the consumer type, it is important to remember that the reasons behind the purchase of counterfeit goods are still many and definitely more complex.

**- The deterrents and the role of information**

If many are factors influencing the decision to purchase counterfeit goods, there are also many possible deterrents, depending on several variables affecting this decision.

For example, in the case of a “holiday purchase,” a deterrent factor could be identified in the knowledge that purchasing a product in one of the many local markets does not necessarily mean supporting the local economy, because it often represents a generous contribution to finance organized crime. A similar result could be achieved, for example, through special notices in airport and at the borders, highlighting the fact that the purchase of counterfeit goods is illegal and what is the actual final destination of the proceeds obtained with this trade.

If one considers, however, the case of genuinely frustrated consumers, the theory of cognitive dissonance, as noted by Eisend and Schuchter-Gueler<sup>46</sup>, offers a promising framework for analysis at the theoretical level. Indeed it was noted that many consumers purchase counterfeit goods because they want to prove that they can afford certain brands. Those trademarks, in fact, often represent for them the symbol of the participation to a particular social group or are used as symbolic self-extension. The interesting aspect is that consumers seem to be aware that this is a self-deceptive behavior and seek self-justification. For example, the most commonly reported motivations by German consumers are:

- Everyone buys counterfeit goods;
- I buy a fake good because then I can use it with ease, without having to worry about damaging it since I paid a low price;
- I buy a fake good to get used to the brand and the product I want before buying the original.

At the same time, consumers also have moral objections to purchasing counterfeit products, especially for certain categories of goods, such as pirated CDs, claiming they respect the work of musicians.

This duality can be explained by the theory of cognitive dissonance, which affirms that a person's behavioural intentions can sometimes contradict established attitudes. In terms of purchasing counterfeit goods, dissonant cognitions are usually in the form of "I have bought (or will buy) counterfeit goods" and "counterfeit goods are of lower quality, they are illegal and harmful to consumers, industries and the economy at large." The lower the dissonance level, the easier it is for the individual to decide to purchase counterfeits. In particular, consumers seek to reduce this dissonance through three types of self-justification, aimed to:

- Reducing the importance of the dissonant element, devaluating the importance of the purchasing decision with messages like "Anyhow, purchasing a counterfeit product costs almost nothing;"

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<sup>46</sup> Cfr. Eisend M. and Schuchert-Gueler P. (2006), op. cit., pp.15-17.

- Adding consonant elements, enhancing the value of a decision taken with messages such as "Counterfeiting is a bargain," or "This purchase helps these poor sellers and the country's economy;"
- Changing or reinterpreting the dissonant element, devaluating the option chosen, arguing for example that the original good is practically identical to the counterfeit, but it only costs more.<sup>47</sup>

The emergence of dissonances largely depends on the degree of consumer awareness about counterfeiting and its implications; therefore, to pass messages opposing consumers' self-justifications, awareness campaigns should have the effect of rendering the purchasing choice of counterfeit goods more difficult and decrease the desire to buy them. The messages in a campaign should then focus in detail on the illegality of the behaviour and on its harmful consequences.

More generally, the empirical analysis conducted by BASCAP has substantially strengthened Gallup's survey,<sup>48</sup> affirming that health and safety should be the foundation of all communication efforts against counterfeiting. It appears that, in the five countries analyzed, the three strongest deterrents against the purchase of counterfeit goods are: health risks, risks posed by damaging products already owned, and the risk of being prosecuted. Other elements of deterrence (such as the connection with terrorist activities and/or organized crime, damages to the economies and Governments) would not have a universal value, as they would apply only to certain markets, while potentially ineffective in others.

### **- The importance of awareness and information**

It is interesting to note that one of the common elements throughout the various deterrence factors is connected to the attempt to correct the distorted perception that

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<sup>47</sup> Cfr. Eisend M. and Schuchert-Gueler P. (2006), *op. cit.*, p.15.

<sup>48</sup> Cfr. BASCAP (2009), *op. cit.* and The Gallup Organization (2006), *op. cit.*



consumers have about counterfeiting, informing them about its implications, whether economic, social or ethical. Most consumers admit that they usually do not consider the consequences of these purchases, and they candidly report that they do not understand why counterfeiting is a plague. Consumers need evidence that counterfeit products are dangerous not only for businesses, but also for them, their families, their communities and for society in general. They also want to see what is offered to them if they stop buying counterfeit goods, partly because the majority does not have a clear idea of the original product's advantages.

As part of a broad awareness action on the implications of counterfeiting, the Centre for Tourist Studies of Florence, on behalf of the Chamber of Commerce of Florence and in agreement with the Provincial Anti-counterfeiting Observatory, conducted a survey<sup>49</sup> about the level of knowledge of prospective buyers and their attitudes towards counterfeiting. From January 21<sup>st</sup> to February 22<sup>nd</sup> 2008, they interviewed a sample of 953 people, including 367 residents in the province of Florence and 586 tourists (of which 90 were Italian and 496 were foreigners<sup>50</sup>) visiting the city of Florence. The surveys were conducted through a questionnaire administered by trained interviewers, who worked mainly in the areas of markets and malls (to reach the residents) and in areas of the city crucial for tourist attractions and their transit. Respondents were selected randomly, ensuring the representation of different categories of age and gender.

The search yielded interesting results about the level of knowledge of the phenomenon and the type of message that is more frequently conveyed to consumers. Among the respondents, 93.3% said it was aware that the phenomenon had reached a significant level of penetration, connecting it more frequently to the industries of clothing (83.4%), leather (80.3%) and electronics (49.3%). However, 69.9% of respondents

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<sup>49</sup> Centro Studi Turistici (2008), "Indagine sulla conoscenza e sui comportamenti verso il fenomeno della contraffazione", Florence Chamber of Commerce.

<sup>50</sup> Among the 496 foreigners, 14.7% came from US, 14.5% from UK, 10.1% from Spain, 9.5% from France, 5.6% from Brazil, 5.4% from Germany, 3.8% from Argentina, 3.6% from Australia, the same percentage of 1.4% was representative both for South Korean citizens and Indians, while the remaining 19.6% came from other countries.

considers counterfeiting as primarily a phenomenon of unfair competition with respect to the manufacturing industry, while only 22.6% mentioned the impact caused to the entire economic system. Even lower percentages linked counterfeiting's impact to the exploitation of child labour (8.6%), the spread of illegal employment (3.5%), and the involvement of organized crime (5.4%). As for consumer risks, this element is seen especially with regard to the lower quality of the product, while the hazards to health and safety rarely emerge.

This apparent lack of information is of utmost importance for our research because it is the element that links the two main categories of consumers identified: unconscious and conscious buyers. In the first case, we can assume that consumers are not aware of the existence of certain counterfeit goods (i.e. medicines and automobile parts), or they do not know where they are sold (on the Internet, in markets or bazaars), or how to recognize them. It is sufficient for this purpose to note that, according to research conducted by BASCAP, in Russia 75% of counterfeit products is purchased in regular stores and the main reason for purchasing them (identified by 79% of respondents) is the lack of knowledge that the purchased goods are in fact counterfeit. Such reasoning is also indicated by 60% of UK consumers and half of Koreans, placing this motivation in second and third place respectively among the five main motivations for purchasing fake products in these countries.<sup>51</sup>

In the case of conscious buyers, there is also a lack of information. In many cases the buyer is not aware of the risks and implications inherent in buying counterfeit goods, as clearly demonstrated by the aforementioned research conducted by the Florence Centre for Tourist Studies,<sup>52</sup> which, despite being limited to the territory of Florence, involved people of various nationalities. Another interesting element of the survey is the prevalence of tourists in the sample. If tourists are, on the one hand, among the largest buyers of counterfeit goods, on the other hand they are also those with an income that

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<sup>51</sup> Cfr. BASCAP (2009), *op. cit.*

<sup>52</sup> Cfr. Centro Studi Turistici (2008), *op. cit.*

allows them to travel and are generally more exposed to receiving information from different media.

These considerations serve to point out that the publicity and the increased attention to a phenomenon, albeit important, do not necessarily imply a change in the citizens' perception or attitudes. It is important to understand the motivations behind consumers' choices and cross-reference this information with messages identified as deterrents; it is equally important that the message is conveyed through a trusted spokesman and appropriate means. In addition, after the campaign has had a positive effect on the phenomenon's awareness, it is essential to provide "sensitized" consumers with an information tool on the phenomenon: with this they can go beyond the simple message and catchy advertising message characterizing the campaign, collecting more and more specific information and allowing the campaign to have a more long-term effect.

Some of the key points to consider in an effort to identify and communicate with the consumer of counterfeit goods during a campaign can be summarized as follows:

- A large majority of consumers does not recognize the general ethical implications of counterfeiting; they believe that the phenomenon does not harm anyone, except perhaps the large multinational corporations, and they therefore do not feel guilty when buying counterfeits;
- The purchase of counterfeit goods is often an impulse: consumers need the product quickly, they rapidly use it dispose of it, without thinking about anything related to its production and distribution;
- Consumers refuse to recognize themselves as victims of counterfeiting, they think they can control it, feeling in some cases empowered by the purchase;
- There is no "typical" buyer of counterfeit goods, virtually any person may be or become a buyer. The propensity to purchase is not confined to a specific age group or social class: it involves young people, adults, seniors, entrepreneurs, students, housewives, singles and those living in large families. However, the type of product being purchased varies depending on nationality, income and age;

- The main reasons for purchasing counterfeit goods remain their lower prices and their availability. These, however, coexist with more sophisticated and hidden reasons, such as a rejection of the established global order (as can be seen among many Mexican consumers), the desire to revive an adolescent spirit, or the desire to exercise a slight rebellion against the consumer society;
- In emerging markets, more than half of counterfeit products acquired comes from regular shops, which often leads consumers to perceive as impossible to protect themselves from these products. Online purchases are still, for the moment, a phenomenon confined only to some countries;
- Consumers around the world act in accordance with the rules of proximity: they are primarily concerned about protecting themselves, then their family, their community and, lastly, their country. This information may be useful to evaluate the possible deterrence of the message;
- Not all consumers have a clear vision and understanding of the benefits involved in buying original goods. Many companies' customer and quality services often fail to convince consumers that it is worth paying more for the original product;
- The risks posed to health, to property already owned, and, if credible, the risk of being prosecuted by the law are the three major deterrents at the global level;
- Consumers do not always listen to the traditional figures of authority such as judges, government officials, policemen, even if they expect those figures to guide the fight against counterfeiting;
- The most credible spokespersons are previous victims of counterfeiting: people whose health has been damaged and, secondly, those who have suffered economic consequences. In this case, the rule of proximity also applies: the victims must be "local" to generate empathy;
- Consumers are aware that they do not think about the implications of their purchases and they candidly report that they do not understand why counterfeiting has to be considered a plague beyond the simple ethical principle. They want evidence that counterfeiting is harmful for them, their communities and society as a whole, and not just for large manufacturing companies. They also want to see the benefit related to their change of attitude and their choice of not buying counterfeit goods.

## Guidelines and important elements to be considered when planning and implementing an awareness campaign

<p><b>CHOOSING THE TARGET OF THE CAMPAIGN</b></p>	<p>Since there is no clear target upon which identify potential buyers of counterfeit goods, the first step in a campaign should be to define its focus depending on:</p> <ol style="list-style-type: none"> <li>a) The product about which we want to raise the consumer's awareness, and/or</li> <li>b) The geographic area targeted by the campaign.</li> </ol>			
<p><b>MARKET ANALYSIS</b></p>	<p>Depending on the target chosen, the second step is to analyze the market. Possible elements of analysis are:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td data-bbox="565 793 979 1241" style="width: 50%; vertical-align: top;"> <p><b>Focus on a product category:</b></p> <ul style="list-style-type: none"> <li>• Where is the product mostly sold?                             <ol style="list-style-type: none"> <li>a) Regular shops</li> <li>b) Local markets</li> <li>c) Street sellers</li> <li>d) Internet</li> </ol> </li> </ul> </td> <td data-bbox="979 793 1393 1241" style="width: 50%; vertical-align: top;"> <p><b>Focus on a geographical area:</b></p> <ul style="list-style-type: none"> <li>• Which products are the most counterfeited in the chosen market?</li> <li>• Where are they sold?</li> <li>• What is the relevant legislative framework?</li> </ul> </td> </tr> </table>		<p><b>Focus on a product category:</b></p> <ul style="list-style-type: none"> <li>• Where is the product mostly sold?                             <ol style="list-style-type: none"> <li>a) Regular shops</li> <li>b) Local markets</li> <li>c) Street sellers</li> <li>d) Internet</li> </ol> </li> </ul>	<p><b>Focus on a geographical area:</b></p> <ul style="list-style-type: none"> <li>• Which products are the most counterfeited in the chosen market?</li> <li>• Where are they sold?</li> <li>• What is the relevant legislative framework?</li> </ul>
<p><b>Focus on a product category:</b></p> <ul style="list-style-type: none"> <li>• Where is the product mostly sold?                             <ol style="list-style-type: none"> <li>a) Regular shops</li> <li>b) Local markets</li> <li>c) Street sellers</li> <li>d) Internet</li> </ol> </li> </ul>	<p><b>Focus on a geographical area:</b></p> <ul style="list-style-type: none"> <li>• Which products are the most counterfeited in the chosen market?</li> <li>• Where are they sold?</li> <li>• What is the relevant legislative framework?</li> </ul>			
<p><b>CONSUMERS ANALYSIS</b></p>	<p>The next step is to identify who is behind the purchase of counterfeit goods, examining consumers and focusing, for example, on the following issues:</p> <ol style="list-style-type: none"> <li>a) Consciousness/non-consciousness;</li> <li>b) Demographic, psychographic, socio-economic and cultural characteristics (if appropriate);</li> <li>c) Driving motives for the purchase;</li> <li>d) If the purchaser can be identified with one of the proposed categories;</li> <li>e) What are the most important deterrent factors to the purchase of the case considered?</li> </ol> <p>The analysis presented has shown the complexity and variety</p>			

	<p>that exist behind the choice of purchasing counterfeit goods. We have indeed seen that product type, demographic and psychographic characteristics of the consumer, the social, cultural and normative elements, influence that choice.</p> <p>However, an extensive consumer research has identified some factors that are common to all types of consumers, and may be useful for creating awareness campaigns.</p> <p>In particular:</p> <ul style="list-style-type: none"> <li>a) The main reasons behind for purchasing counterfeit goods remain its lower price and its availability; these, however, coexist with more sophisticated and hidden motives;</li> <li>b) The vast majority of consumers think that counterfeiting does not harm anyone, except maybe some big company;</li> <li>c) Consumers refuse to consider themselves as victims of counterfeiting;</li> <li>d) The risks posed to health, to goods already owned, and, if credible, the risk of being prosecuted by the law, are three of the major deterrents at the global level.</li> </ul>
<p><b>CREATING THE MESSAGE</b></p>	<p>Among the various elements to consider during the creation of the message, some are universally valid while others apply depending on whether the awareness of the consumer.</p> <p><b>Universally valid elements:</b></p> <ul style="list-style-type: none"> <li>a) Context: consumers are more receptive if the message is contextualized and if local nuances are taken into account;</li> <li>b) Dialogue: it is important to talk directly to the consumer;</li> <li>c) Simplicity: the message must be simple;</li> <li>d) Psychology: consumers' rational and emotional aspects are of paramount importance;</li> <li>e) Neighbourhood: consumers around the world act in accordance with the rules of proximity, caring first about</li> </ul>

	<p>themselves, then about their families, their communities and only lastly about their country;</p> <p>f) Consequences: consumers recognize they do not think about the implications of their purchases.</p>		
	<table border="1"> <tr> <td data-bbox="557 430 979 1035"> <p><b>CONSCIOUS BUYER</b></p> <p>a) Choose a message that combines driving motives with deterrents;</p> <p>b) Choose an appropriate approach or combination of approaches (threat, humour, description);</p> <p>c) Provide consumers with a realistic opportunity for action to engage in.</p> </td> <td data-bbox="979 430 1395 1035"> <p><b>UNCONSCIOUS BUYER</b></p> <p>a) The priority is to inform them about the existence and spread of counterfeit goods;</p> <p>b) Provide knowledge on how to identify and avoid counterfeit products;</p> <p>c) Inform them about the risks involved.</p> </td> </tr> </table>	<p><b>CONSCIOUS BUYER</b></p> <p>a) Choose a message that combines driving motives with deterrents;</p> <p>b) Choose an appropriate approach or combination of approaches (threat, humour, description);</p> <p>c) Provide consumers with a realistic opportunity for action to engage in.</p>	<p><b>UNCONSCIOUS BUYER</b></p> <p>a) The priority is to inform them about the existence and spread of counterfeit goods;</p> <p>b) Provide knowledge on how to identify and avoid counterfeit products;</p> <p>c) Inform them about the risks involved.</p>
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<p><b>CHOOSING THE SPOKESMAN</b></p>	<p>In addition to the message's content, the consumers' receptiveness also depends on who transmits it. When making this choice, it is important to considered that:</p> <p>a) Consumers do not always listen to the traditional figures of authority (such as judges, government officials or police officers);</p> <p>b) The most credible spokespersons are victims of counterfeiting: people whose health has been damaged and, secondly, those who have suffered economic consequences;</p> <p>c) Victims must be identifiable within the local environment to generate empathy;</p> <p>d) If it is difficult to engage younger audiences, parents and teachers can play a significant role in education.</p>		
<p><b>CHOOSING THE</b></p>	<p>Ideally, the choice of the means used should be tailored to the</p>		

<p><b>MEANS</b></p>	<p>target and the message; it must take into account the local context and be consistent with the consumer identified.</p> <p>The instruments most commonly used today are Websites, brochures, flyers and posters, advertising on radio and TV. Nevertheless, one must take into account that:</p> <ul style="list-style-type: none"> <li>a) In order for film and video to have an impact, they should be part of a broader programme;</li> <li>b) Online creative tools such as games, applications on social networks and videos on YouTube can be useful ways to reach and involve younger consumers;</li> <li>c) Mobile technology has proven to have enormous potential in emerging markets and in many African countries, where normal access to new technologies and the Internet is sometimes problematic;</li> <li>d) Face to face contacts and "street" advertising are useful tools, particularly if located near selling points;</li> <li>e) Workshops and meetings in schools are useful tools to reach younger age groups.</li> </ul>
<p><b>CHOOSING THE RIGHT PLACE</b></p>	<p>The choice of location should also be consistent with the profile of the consumer and the identified target. It is important to consider not only the traditional sites (i.e. distributing leaflets in the streets), but also to adopt a targeted and broader approach.</p> <p>For example, if the consumers targeted are tourists, ideal places are then airports, train stations, the pages of tourist guides, tourist offices, hotels, tour buses, and even airplanes (i.e. with a video transmitted during the flight), and other means of transportation.</p>



	<p>To have a good coverage it is important to involve as many partners as possible: public institutions, trade associations, consumer associations, schools, publishing houses, private companies, etc.</p>
<p><b>CREATING FOLLOW-UP TOOLS FOR CONSUMERS</b></p>	<p>After having attracted consumers' attention through the campaigns it is important to build follow-up tools, keeping into consideration that:</p> <ul style="list-style-type: none"> <li>a) Not all consumers have a clear vision and understanding of the benefits of buying original goods;</li> <li>b) Consumers want evidence that counterfeiting is harmful for them, their communities and for society as a whole (and not just for large multinational companies).</li> </ul> <p>The follow-up can be informative and educational; it can give more information on the subject, or it may seek to engage the consumer to make him/her feel more involved in combating counterfeiting. An instrument of this kind may be the creation of a system collecting reports on counterfeit products, or where negative past experiences related to purchasing counterfeit goods can be shared.</p>
<p><b>FINAL EVALUATION</b></p>	<p>The evaluation of the results is needed to assess the effects of the campaign and adjust future initiatives accordingly.</p>

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