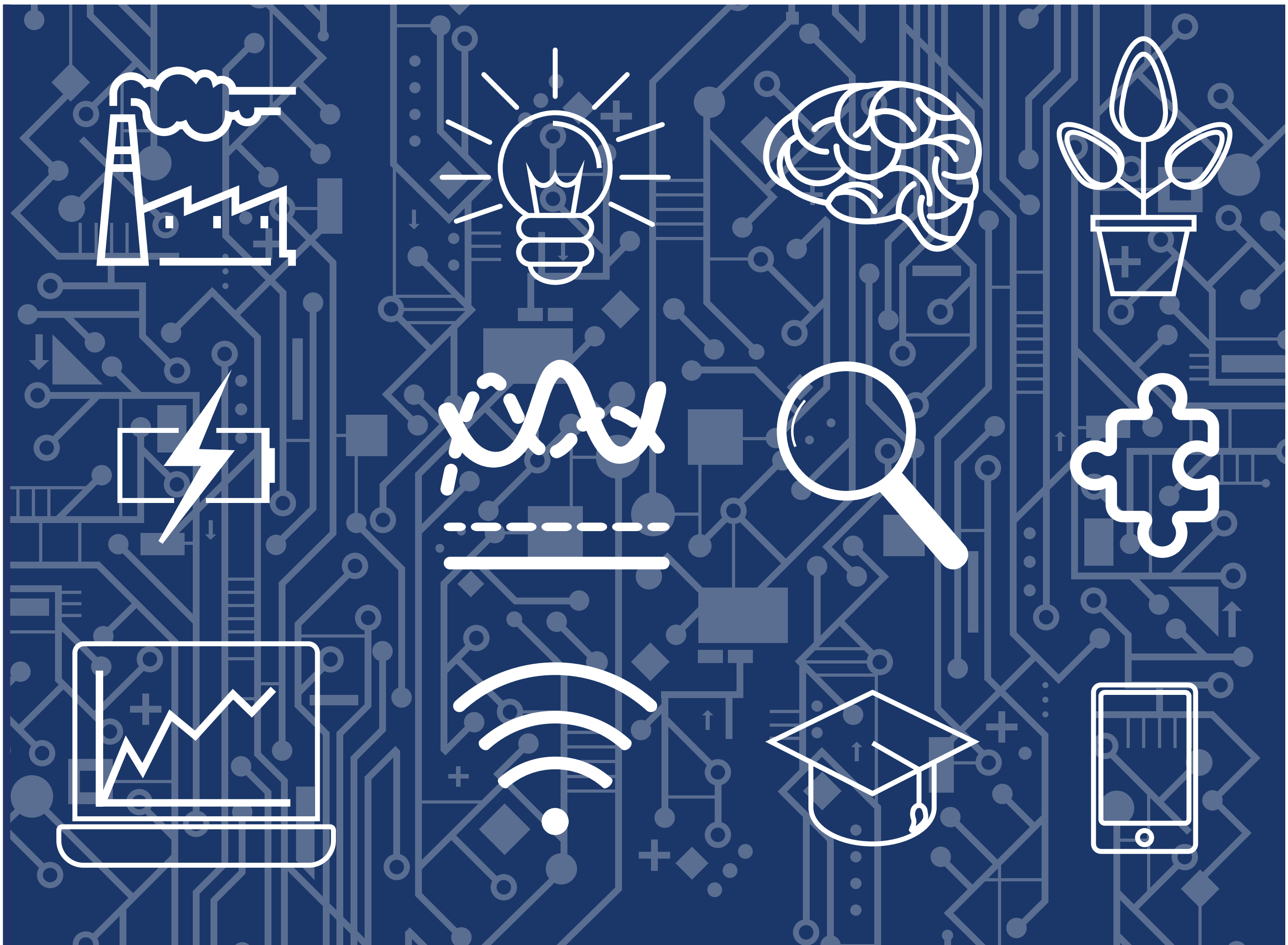
Intellectual
Property
Office

IPO Counterfeit Goods Research

July 2020



IPO | Making life better through IP

Intellectual Property Office is an operating name of the Patent Office

Founded in July 2011, AudienceNet's reputation for innovative, "real-time" research grew steadily from its start-point in the music, entertainment and technology industries, through a wide range of both public and private sector organisations, governments, NGOs and philanthropic organisations.

AudienceNet has built a reputation as one of the primary sources of intelligence on music and entertainment. We conduct ad-hoc and (global) tracking projects for industry bodies such as the IFPI, Entertainment Retail Association (ERA) and the BPI, as well as major record labels (Universal, Warner and Sony) and platforms such as SoundCloud and Spotify.

Report by:

Sania Haq - Head of Research
Isaac Schling - Research Manager
Laura-Jane Taylor - Senior Research Executive

ISBN: 978-1-910790-83-0
IPO Counterfeit Goods Research: July 2020

Published by The Intellectual Property Office
July 2020

1 2 3 4 5 6 7 8 9 10

Any enquiries regarding this publication should be sent to:

The Intellectual Property Office
Concept House
Cardiff Road
Newport
NP10 8QQ

Tel: 0300 300 2000

e-mail: information@ipo.gov.uk

This publication is available from our website at www.gov.uk/ipo

Contents

SECTION 1

Methodology

Research Aims

While considerable evidence exists on the topic, to enable the IPO to effectively achieve its aims, the organisation has identified **a need for more consistent research on consumers** in relation to the purchasing of counterfeit physical goods.

Given the success of the IPO's Online Copyright Infringement tracker (OCI), there is a desire to establish a similar **evidence base** to inform decision-making around physical counterfeits.

Along with developing a **benchmark** study within which trends can be monitored and tracked over time, the IPO is keen to gather evidence that will help to **facilitate behaviour change** in consumers, based on their specific needs. For example, through creating awareness of counterfeits among those who are currently being deceived, and fostering greater respect for IP among those who are more actively seeking-out such goods.

Stage 1 (Quantitative)

The first stage of research comprised a large-scale, 15-minute, **online survey** among a representative sample of the UK adult population (aged 18+). Our sample size of N= 4,990 has allowed us to conduct robust **analysis at the total and sub-group level** (e.g. by age, gender, SEG etc.) Importantly, it has allowed us to explore behaviours relating to a range of industries in-depth.

The survey sample was sourced through our network of professionally managed (ESOMAR compliant), **online UK consumer research panels**. We have ensured that data is representative of the general population (by setting quotas and applying a weighting factor).

Respondents were asked about their general and counterfeit purchasing history and habits across **6 broad product categories** which (in total) covered **21 individual categories**.

Categories covered:

BEAUTY & HYGIENE

- Male or female beauty products
- Hygiene products

CLOTHING, FOOTWEAR & ACCESSORIES

- Male or female clothing excluding sportswear
- Male or female footwear/shoes excluding trainers
- Male or female accessories excluding watches
- Male or female watches

SPORTS

- Regular sportswear
- Sportswear from clubs/franchises
- Sports footwear
- Sports equipment

TOYS

- Dolls/action figure toys
- Toy building sets
- Merchandise from TV/Film

ELECTRICALS

- Male or female beauty/hygiene related electricals
- Electrical accessories
- Electrical devices
- DVDs and Blu Rays

ALCOHOL

- Bottles of wine/champagne
- Bottles of spirits
- Bottles/cans of beer

Throughout the report we have only provided results for categories where there was a sample size of n=50 or more.

The survey included questions on the following topics:

- Profiling (e.g. demographics)
- General purchasing habits
- Engagement with counterfeit goods
- An in-depth look at purchasing counterfeits at a category level
- A look at those who have unintentionally purchased counterfeits or would consider purchasing any counterfeit item in the future

Stage 2 (Qualitative)

The qualitative stage consisted of a **week-long** discussion within our Online Community platform. Its focus was to **understand the whys behind displayed attitudes and behaviours**, as well as working with segments to **co-create messaging** to help achieve positive behaviour change.

64 participants were included in the discussions, which focussed on the categories to the right. Clothing, Footwear & Accessories were combined together with Sportswear to form one category owing to broad similarities between the two. The categories included in this qualitative phase were chosen on the basis of having high incidences of counterfeit purchasing, based on the survey.

Within the sample of 64 participants, we focussed on those aged 35 and under to reflect the higher incidences of counterfeiting in this age group, but also included some aged 35-54. There was an even gender split and the majority had knowingly purchased a counterfeit product in the last year, with some who had unknowingly purchased counterfeits.

The community itself covered the following topics: Passion for each category, reasons for purchasing counterfeits in a given category, methods of purchasing counterfeits and reactions to anti-counterfeit campaigns.

Categories covered:

BEAUTY & HYGIENE

- Male or female beauty products
- Hygiene products

CLOTHING, FOOTWEAR & ACCESSORIES

- Male or female clothing excluding sportswear
- Male or female footwear/shoes excluding trainers
- Male or female accessories excluding watches
- Male or female watches

SPORTS

- Regular sportswear
- Sportswear from clubs/franchises
- Sports footwear
- Sports equipment

ELECTRICALS

- Male or female beauty/hygiene related electricals
- Electrical accessories
- Electrical devices
- DVDs and Blu Rays

Stage 3 (Message Testing)

The insights gained in the previous two stages of the research were used to develop **12 pieces of behaviour change messaging**.

These were tested over **four** surveys with non-rejectors of counterfeits (i.e. those who either had or were open to purchasing or receiving counterfeit goods).

The survey explored **awareness** of these messages as well as how **effective** they were in preventing them from purchasing counterfeit goods in the future.

In total, **n=1,010** completed all four waves of the research. Responses from those who did not complete all waves are excluded from the results.

The surveys were **launched** consecutively and were live between November and December 2019. There was an approximate two-week gap between the launch of each survey.

The **first three wave**s of the survey included questions on the following **topics**:

- Profiling (e.g. demographics)
- Counterfeit purchasing history
- Messaging evaluation (how surprised they were by it, whether they were aware of it, whether it would prevent them from buying/receiving counterfeits in the future).

The **final wave** of the survey focussed on overall messaging preferences.

Navigating this report

The report begins with an overview of counterfeit purchasing.

Each content category then has its own bespoke section. Qualitative insights are included for content categories covered within the Online Community.

Following this is a section which explores the effectiveness of messaging aimed to reduce the amount of counterfeit purchasing.

The report ends with a summary of key findings relevant for future behaviour change campaigns. Results are largely based on the **communications testing and co-creation** activities conducted in the qualitative research.

Throughout the surveys the following definition was used when asking about counterfeit (i.e. “fake” or “replica”) products:

“By this we mean items that look very much like the original product but are not made by the brand itself.”

INTERPRETING THE DATA

Where (single choice) question **percentages** do not add up to 100%, this is due to **rounding of the data**.

Where base sizes are **below N=30**, results must be interpreted with caution.

Margin of error: With any piece of research, it is almost never feasible to measure the entire population and thus achieve results that are 100% accurate. We must, therefore, take into account the potential for error. As a guide, we advise caution when interpreting results that have less than a (-/+)3/4 % difference.

SECTION 2

Executive Summary

71%

A majority (71%) of respondents indicated that they **had never purchased counterfeit goods**. There was no single dominant reason why they had not done so. The top reasons related to **moral concerns** (i.e. supporting criminal activity and/or use of low cost labour or poor working conditions) and the perceived **lower quality** of counterfeit products.

29%

Three in ten **(29%) reported having *ever*** purchased a counterfeit item, with 17% saying they currently do so on either an often, a sometimes or an occasional basis. The main reason for purchasing counterfeits, by a considerable margin, related to the cheaper price. This was selected by approximately two thirds (64%) of those who currently purchase counterfeit goods.

Younger People (i.e. aged under 35) were **most likely** to have purchased counterfeit goods. Three in ten of those aged 18-24 (30%) and 25-34 (31%) purchase counterfeits on at least an occasional basis. This compares to 21% of those aged 35-44, 12% of those aged 45-54 and 9% of those aged 55+.

As well as the cheaper price, the **design** of counterfeits being similar to the authentic items also emerged as a popular reason as to why respondents purchased them. However, **poor quality** appears to be an important factor in lapsing from purchasing counterfeit goods.

13%

Respondents were most likely to have knowingly made counterfeit purchases of '**Clothing, Footwear and Accessories' and 'Sports' products**, with 13% and 9% (respectively) of consumers of those categories having done so in the past year. Other categories experienced notably lower levels of counterfeit purchases: Beauty & Hygiene (6%), Electricals (5%), Toys (5%) and Alcohol (2%).

Across a majority of the 20 product categories, where we have sufficient numbers of responses for analysis (at least n=50), those who purchased counterfeits were most likely to be willing to consider **paying half the price** of an authentic product for the counterfeit version. In 'Clothing', 'Accessories' and 'Watches' a quarter of the price was considered to be more realistic.

Purchasing **online via a global e-commerce site** emerged as a key source for purchasing counterfeit goods in all categories. It was the most used source in a number of categories ('Beauty products', 'Footwear', 'Regular sportswear', 'Sportswear from clubs/franchises', 'Electrical accessories') and was among the top three sources for all categories. Another key source was **holiday markets** which was most used for the purchase of counterfeit 'Clothing', 'Accessories', 'Watches' and 'Sports footwear'.

Messaging:

During the qualitative phase, messaging around reducing the levels of counterfeit purchasing was tested and co-created in an online community. The learnings from the qualitative phase informed another iteration of behaviour change campaign messaging. These broadly fell into one of three categories: Global Impact (Economic); Global Impact (Human) or Personal Impact.

When asked to rank their top three messages, the most popular most often fell within the **Global Impact (Human)** category. The **most effective** single piece of messaging emphasised the links between **terrorism and physical counterfeits** and was selected by 55% of our sample. The second most effective piece of messaging (selected by 43%) highlighted the **links between counterfeits and criminal organisations/activity**.

The other two categories varied greatly in terms of their overall effectiveness: Messaging from the **Personal Impact** category was **consistently** rated as effective by between 4-29% of our sample.

Global Impact (Economic) was generally rated as being the **least effective**. The exception to this was where it highlighted the impact to the economy/jobs in the UK (selected by 23%) as opposed to the impact on the EU (10%).

Recommendations

Younger respondents (i.e. 35 and under) were more likely to purchase counterfeit goods and should be a **key target audience** for any activities aimed at reducing their purchase.

The purchase of counterfeits was also **concentrated in particular content categories** ('Clothing, Footwear and Accessories' and 'Sports') therefore it may be advisable to focus specifically on targeting consumers in these categories.

Encouragingly, there was a large proportion of people saying they would be likely to stop purchasing counterfeits if exposed to campaigns explaining the significant consequences of counterfeits. With those who were not persuaded, more research and co-creation could help to better understand what may change their minds.

The types of messaging that seem to be effective are those which:

- Are **well evidenced** and from a **reliable source**.
- Involve a **human element** that brings the negative consequences of purchasing counterfeit goods and the impact on other people to light.
- Are **relatable** (e.g. highlight the risks to personal safety of some counterfeit goods, the damage it does to the economy in their local area etc.).

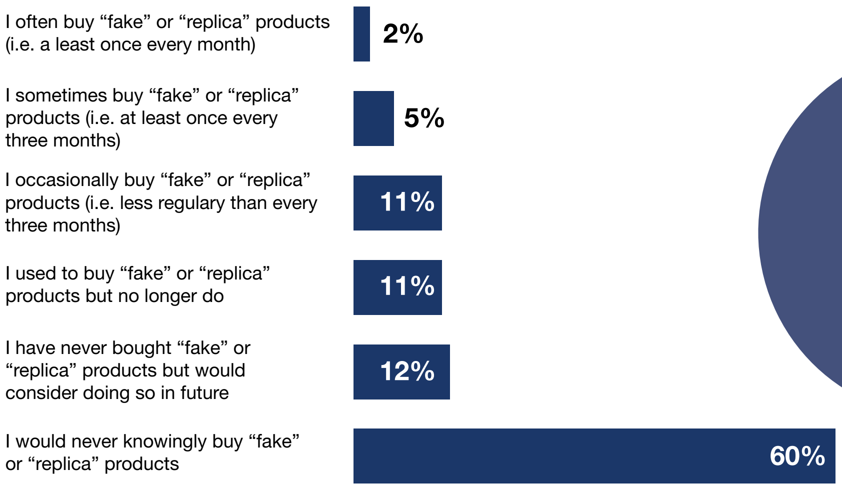
SECTION 3

Overarching trends – Incidence, categories, motivations and barriers

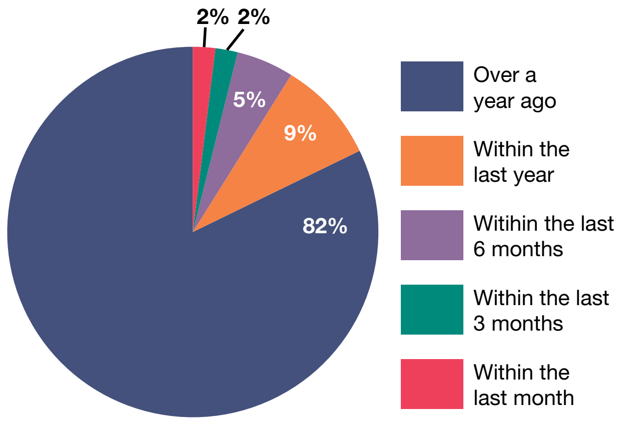
- A majority (71%) of respondents indicated that they **had never purchased counterfeit goods**. Most of these (60%) said they never would while a smaller amount (12%) indicated they would consider doing so in the future.
- Three in ten **(29%) reported having *ever*** purchased a counterfeit item.
- 17% currently purchase counterfeit products, either often, sometimes or occasionally.
- 11% used to buy counterfeit goods but no longer do. Most (82%) of this group had stopped over a year ago.

Q: Which of the following best describes you in relation to purchasing "fake" or "replica" items? By this we mean items that look very much like the original product but are not made by the brand itself.

Base: Total sample (n=4990)



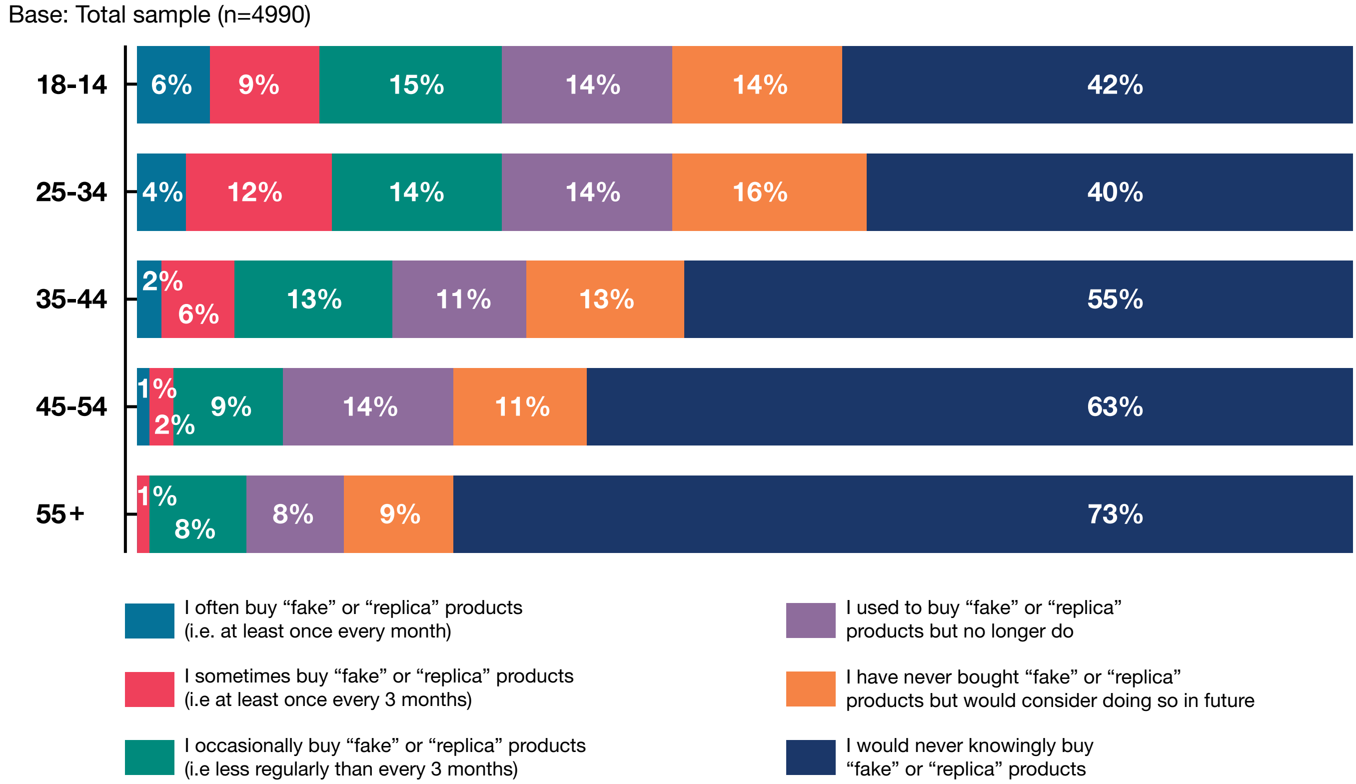
Base: Used to but no longer but "fakes" or "replicas" (n= 552)



Incidence of counterfeit purchasing (by age):

- Younger respondents (i.e. those aged 18-24 and 25-34) were more likely to indicate that they 'currently' (i.e. often, sometimes or occasionally) buy counterfeit items. Approximately three in ten of those aged 18-24 (30%) and 25-34 (31%) 'currently' did so compared to progressively lower amounts among older age groups (21% of those aged 35-44, 12% of 45-54s and 9% of the 55+).
- There were no significant differences when looking at the frequency of buying counterfeits by gender.

Q: Which of the following best describes you in relation to purchasing "fake" or "replica" items?

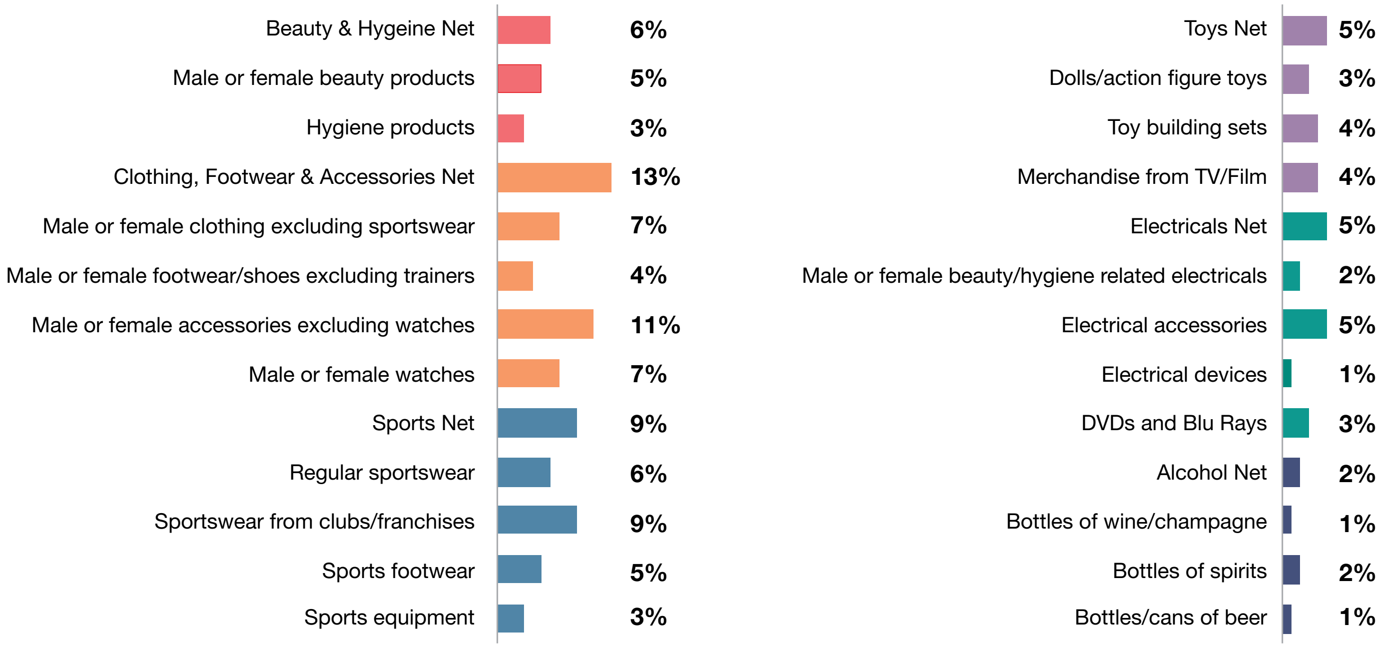


Product categories:

- The 29% who had knowingly purchased a counterfeit were asked which product categories they had purchased them in within the past year. They were only asked about the categories they had indicated that they had made a purchase in. The below chart shows the proportion of consumers in each product category (broad and individual) who had made a counterfeit purchase.
- Respondents were most likely to knowingly have made counterfeit purchases of **"Clothing, Footwear and Accessories"** and **"Sports"** products, with 13% and 9% respectively of consumers of those categories having done so in the past year. **Other categories experienced notably lower levels** of counterfeit purchasing: Beauty & Hygiene (6%), Electricals (5%), Toys (5%) and Alcohol (2%). At an **individual product category level**, "Male or female accessories excluding watches" (11%) had the highest proportion of counterfeit purchases, closely followed by "Sportswear from clubs/franchises" (9%).

Q: Which, if any, of the following categories have you knowingly purchased "fake" or "replica" products for in the past year?

Base: Consumers in each category - Beauty & Hygiene Net (n=4780), Male Or Female Beauty Products (n=3574), Hygiene Products (n=4594), Clothing Footwear & Accessories Net (n=4538), Male Or Female Clothing Excluding Sportswear (n=4025), Male Or Female Footwear/Shoes Excluding Trainers (n=3504), Male Or Female Accessories Excluding Watches (n=2311), Male Or Female Watches (n=1181), Sports Net (n=2447), Regular Sportswear (n=1604), Sportswear From Clubs/Franchises (n=603), Sports Footwear (n=1719), Sports Equipment (n=617), Toys Net (n=1564), Dolls/Action Figure Toys (n=737), Toy Building Sets (n=919), Merchandise From Tv/Film (n=884), Electricals Net (n=3404), Male Or Female Beauty/Hygiene Related Electricals (n=1306), Electrical Accessories (n=1956), Electrical Devices (n=2148), DVDs and Blu Rays (n=1254), Alcohol Net (n=3759), Bottles Of Wine/ Champagne (n=2665), Bottles Of Spirits (n=2549), Bottles/Cans Of Beer (n=2728)

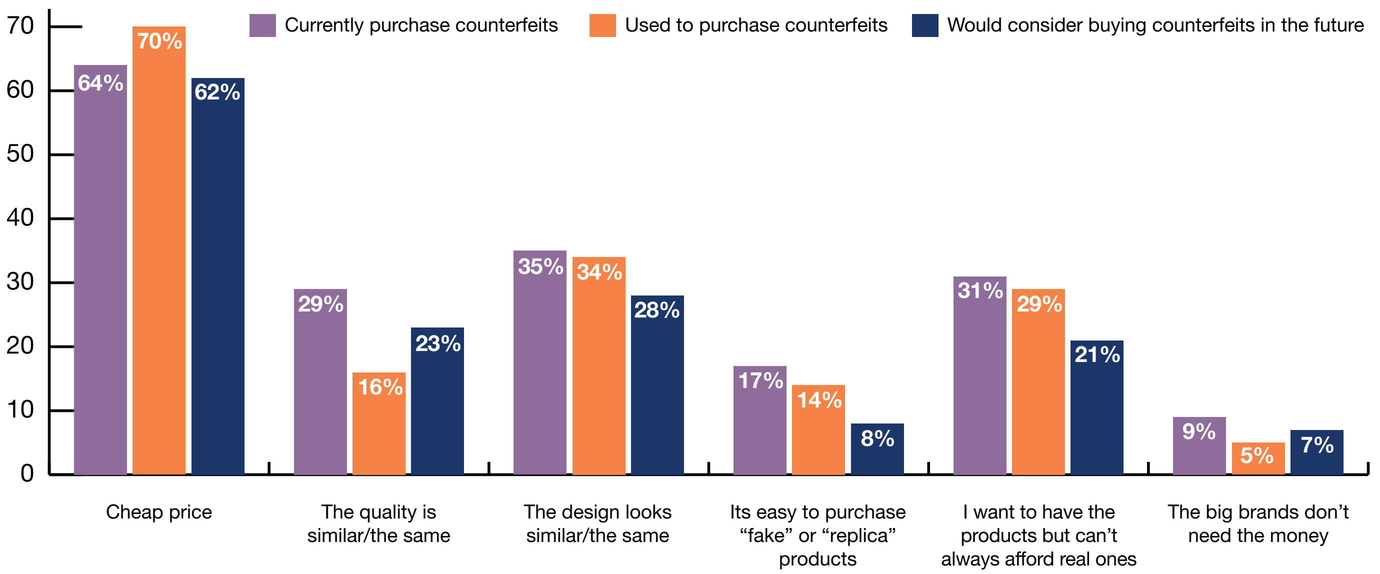


Reasons FOR purchasing counterfeits:

- Anyone who had ever purchased (i.e. currently or previously) a counterfeit good or indicated that they would consider doing so in the future was asked about their motivations.
- The main motivation, by some way and consistent across all respondent groups, was **cheaper price**. No other single motivation was selected by more than a third.
- **In terms of satisfaction with products, interesting differences emerged across respondent groups**. While all were likely to cite the aesthetics looking similar to legitimate products as a motivation, notably fewer former (i.e. used to) purchasers selected "The quality is similar/the same". While we cannot say this with confidence, it is possible that **experiences with poor quality counterfeit products** contribute to consumers no longer purchasing them.
- Encouragingly, **wanting to damage or deprive brands of money was not a prevalent motivation**. Conversely, respondents displayed a strong desire to own legitimate products/associate with brands, however opted to buy counterfeits owing to financial constraints.

Q: What are/were/would be your main reasons for purchasing "FAKE" or "REPLICA" products?

Base: Currently purchases counterfeits (n= 890), Used to purchase counterfeits (n= 552), Would consider buying counterfeits in the future (n= 580)

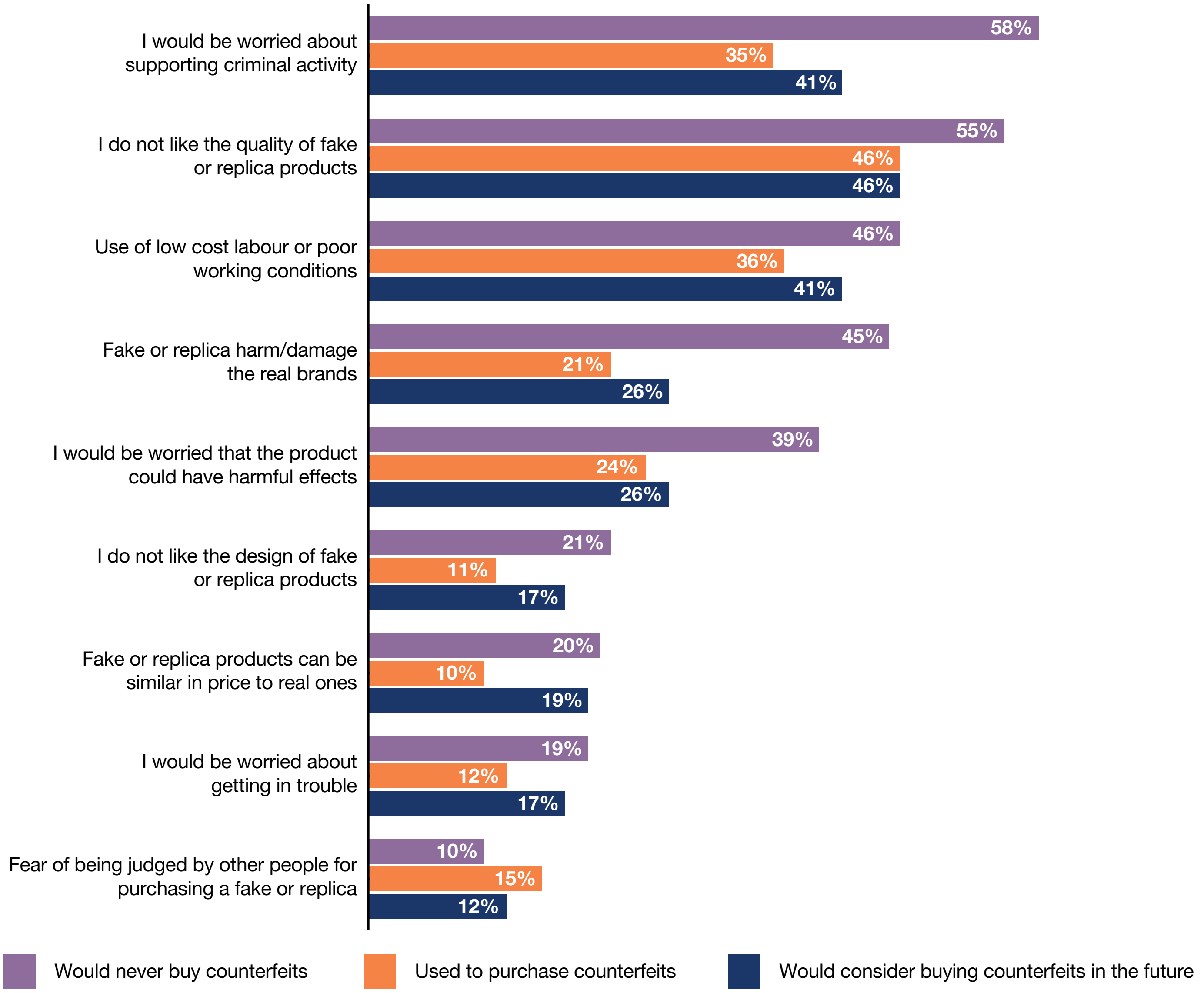


Reasons for NOT purchasing counterfeits:

- Those who did not ‘currently’ (i.e. often, sometimes or occasionally) purchase counterfeit goods were asked why they didn’t. They were grouped into one of the following: would never buy them, used to buy them but wouldn’t any more and those who would consider buying them in the future.
- While no single dominant reason emerged among any of the groups, there were prominent themes. The top three reasons related to **moral concerns** (i.e. supporting criminal activity and/or use of low cost labour or poor working conditions) and the perceived lower quality of counterfeit products.
- It is perhaps not surprising that a number of reasons resonated more strongly with **those who would never buy counterfeits** compared to those who either used to or would consider doing so. They were more likely to be ‘worried about supporting criminal activity’ (58%), to think that they ‘harm/damage the real brands’ (45%) and to be worried about the harmful effects (39%).
- **Looking at lapsed purchasers, again quality emerges as a key barrier to purchase**. For this group, and those who would consider purchasing counterfeits, “I do not like the quality of “fake” or “replica” products” was the top reason.

Q: What are/were/would be your main reasons for not purchasing "FAKE" or "REPLICA" products?

Base: Would never buy counterfeits (n=2,345), Used to purchase counterfeits (n=552), Would consider buying counterfeits in the future (n=403)

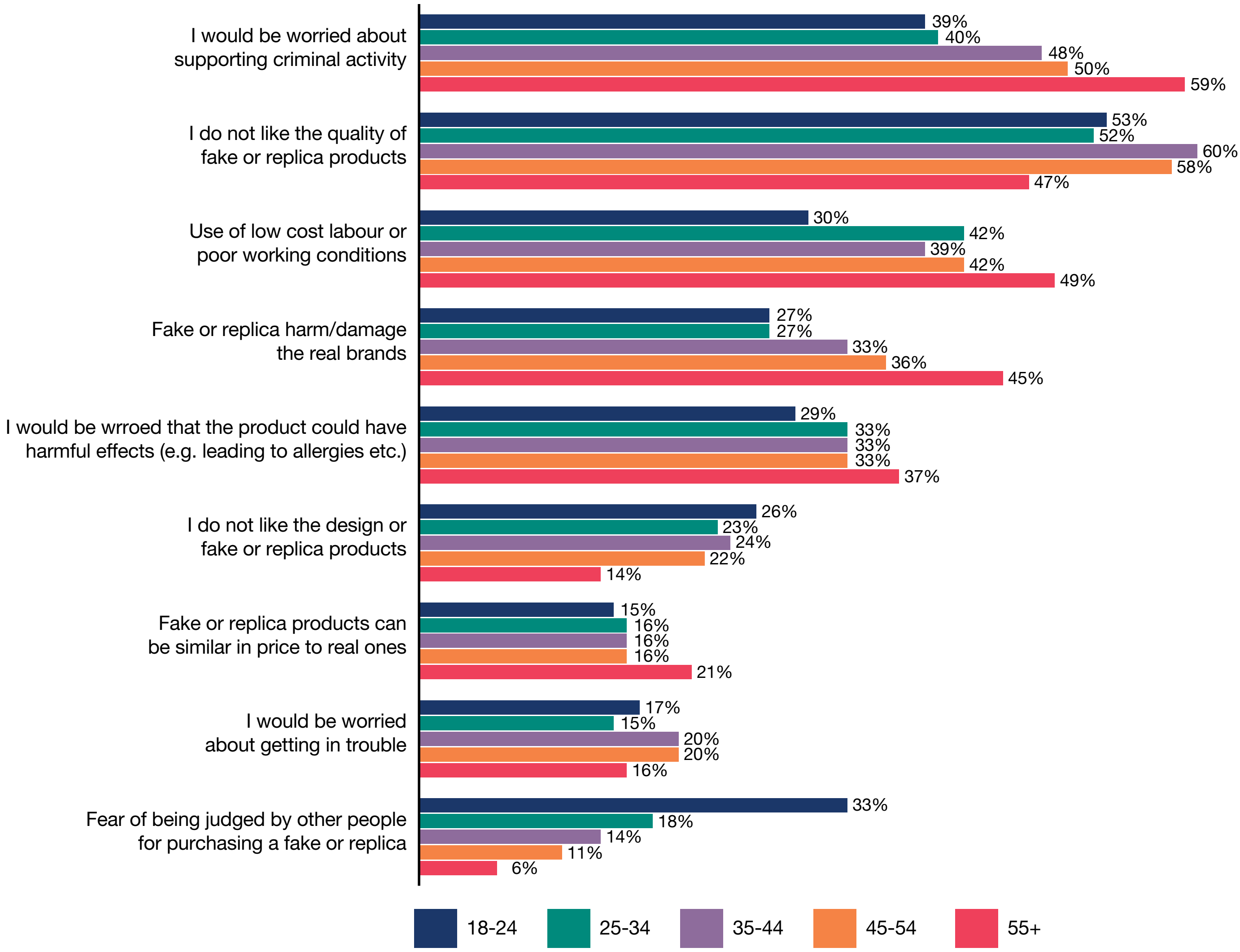


Reasons for NOT purchasing counterfeits (by age):

- A number of areas relating to **ethical/moral considerations** (worrying about supporting criminal activity, use of low cost labour, harming real brands) resonated more strongly with those aged **45+** (and especially among those aged 55+).
- **Concerns around quality were fairly consistent** across all age groups.
- Those aged **18-24** were more likely to have social concerns, with a third (33%) fearing being **judged** for buying counterfeits.

Q: What are/were/would be your main reasons for not purchasing "FAKE" or "REPLICA" products?

Base: Would never buy counterfeits (n=2,345), Used to purchase counterfeits (n=552), Would consider buying counterfeits in the future (n=403)

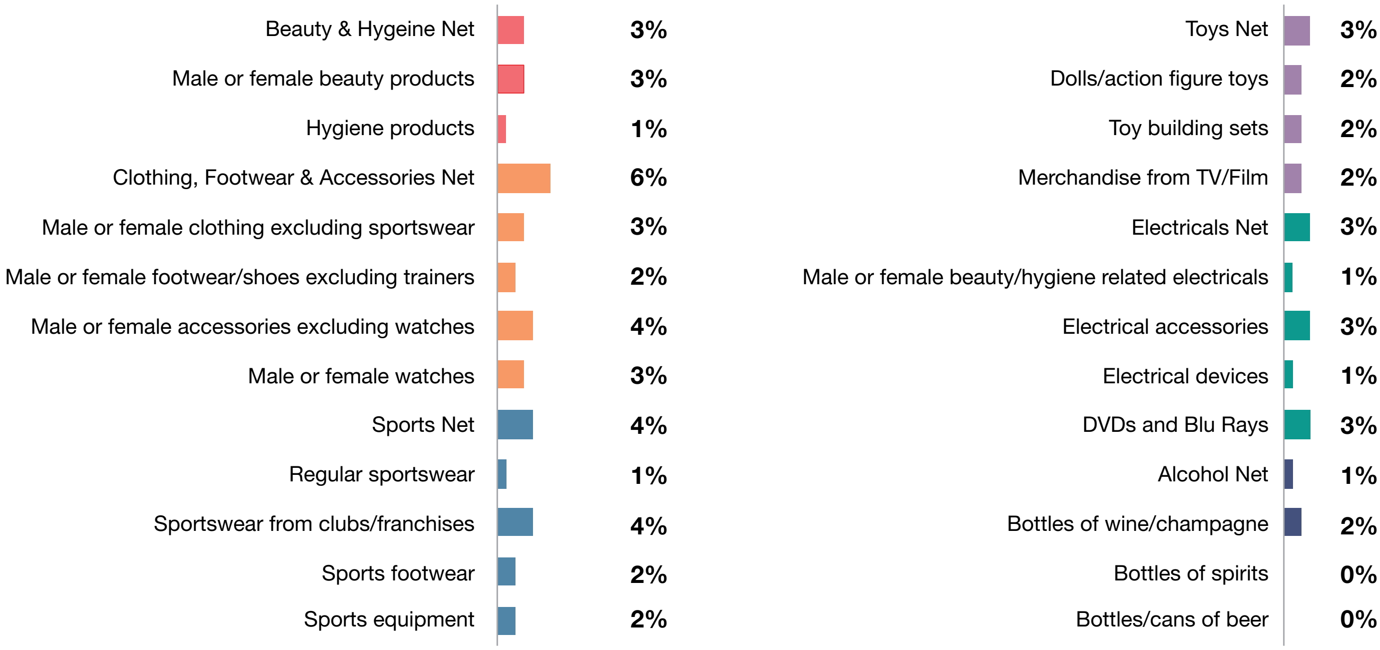


Unintentional counterfeit purchasing:

- 16% of our sample said they had unintentionally purchased counterfeits and were asked from which categories they had been purchased. They were most likely to have unintentionally purchased counterfeit goods in 'Clothing, Footwear & Accessories' (6%) and 'Sports' (4%).

Q: Which, if any, of the following categories have you unintentionally purchased "fake" or "replica" products for in the past year?

Base: Consumers in each category - Beauty & Hygiene Net (n=4780), Male Or Female Beauty Products (n=3574), Hygiene Products (n=4594), Clothing Footwear & Accessories Net (n=4538), Male Or Female Clothing Excluding Sportswear (n=4025), Male Or Female Footwear/Shoes Excluding Trainers (n=3504), Male Or Female Accessories Excluding Watches (n=2311), Male Or Female Watches (n=1181), Sports Net (n=2447), Regular Sportswear (n=1604), Sportswear From Clubs/Franchises (n=603), Sports Footwear (n=1719), Sports Equipment (n=617), Toys Net (n=1564), Dolls/Action Figure Toys (n=737), Toy Building Sets (n=919), Merchandise From Tv/Film (n=884), Electricals Net (n=3404), Male Or Female Beauty/Hygiene Related Electricals (n=1306), Electrical Accessories (n=1956), Electrical Devices (n=2148), DVDs and Blu Rays (n=1254), Alcohol Net (n=3759), Bottles Of Wine/ Champagne (n=2665), Bottles Of Spirits (n=2549), Bottles/Cans Of Beer (n=2728)



Beauty and Hygiene

The profile of those who had purchased counterfeit Beauty & Hygiene products in the last year skewed younger (i.e aged 35 and younger) and towards those with a “high passion” for those products.

General consumption (last year)

Beauty and Hygiene consumers (i.e have purchased a product)

96%

Beauty and Hygiene consumers who have knowingly purchased a **counterfeit** good

6%

% of consumers in each who have purchased a counterfeit in the last year

5% Male or female beauty products (e.g make up, skincare, perfume)

3% Hygiene products

Of consumers in this category the following had purchased counterfeit goods

Gender

7% Male

5% Female

Social Grade

6% ABC1

6% C2DE

Age

Age	%
18 - 24	14%
25 - 34	13%
35 - 44	7%
45 - 54	2%
55+	2%

‘Passion’ for Beauty & Hygiene

High	Medium	Low
13%	6%	2%

Base: Consumers in this category in the past year (Beauty & Hygiene n=4780)

Male or Female beauty products

The 5% of beauty product consumers who had purchased a counterfeit product in that category in the past year were asked in further detail about their purchasing behaviour.

They tended to purchase counterfeit products in this category:

Monthly (12 times a year)	Every 3 months	Every 6 months	Once a year	Less than once a year
15%	24%	17%	8%	36%

They buy counterfeit products because:

Cheaper prices	53%
The quality is similar/the same	35%
I want to have the products but can’t always afford the real ones	29%
The design looks similar/the same	20%
It’s easy to purchase fake/replica ones	17%
Big brands don’t need the money	13%

Compared to the real thing, they were willing to pay, on average:

1/4 of the price	1/2 the price	3/4 of the price
43%	48%	10%

Most likely to buy products based on the following brands:

01	AVON	25%
02	MAC	20%
03	L’ORÉAL PARIS	17%

Most used sources to purchase counterfeit goods are:

29% Online via a global e-commerce site (e.g. Amazon)

28% In-store not from the brand (from a smaller retailer)

16% From a local market in the UK

If they couldn’t purchase counterfeit products in this category they would:

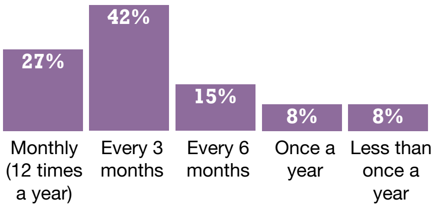
Buy a similar product from a cheaper brand	51%
Buy the product directly from the brand	28%
Go without the product	16%

Base: Consumers of counterfeit Beauty Products in the past year (n=199)

Hygiene Products

The 3% of hygiene product consumers who had purchased a counterfeit product in that category in the past year were asked in further detail about their purchasing behaviour.

They tended to purchase counterfeit products in this category:



They buy counterfeit products because:

Cheaper prices	50%
The quality is similar/the same	34%
I want to have the products but can't always afford the real ones	27%
The design looks similar/the same	23%
It's easy to purchase fake/replica ones	20%
Big brands don't need the money	15%

Compared to the real thing, they were willing to pay, on average:

Most likely to buy products based on the following brands:

01	Carex	32%
02	Dove	32%
03	Herbal essences	21%

Most used sources to purchase counterfeit goods are:

44%	25%	12%
In-store not from the brand (from a smaller retailer)	Online via a global e-commerce site (e.g. Amazon)	From a local market in the UK

If they couldn't purchase counterfeit products in this category they would:

Buy a similar product from a cheaper brand	55%
Buy the product directly from the brand	29%
Go without the product	13%

Base: Consumers of counterfeit Hygiene Products in the past year (n=121)

Beauty & Hygiene – Qualitative insights

Across beauty and hygiene, the attraction of counterfeit products is twofold: having a branded product makes them feel like they can **keep up with societal trends and because replicas are often so good** that the product accurately mimics the scent or appearance of the original while allowing for a good experience of the product for a lesser price.

To an extent, many expect a slightly lower quality product when using counterfeits and most accept that fragrances may wear off earlier than the original because they are potentially paying for lesser quality ingredients. Many, however, maintain that this is only noticeable to themselves with little risk of others finding out they have bought a counterfeit. There are greater concerns for many around buying counterfeit cosmetics and skincare due to the direct contact with skin and most say they would avoid such products or mitigate the risks by applying a base layer underneath the counterfeit product.

Those who tend to buy counterfeit beauty and hygiene products online talk about the convenience of doing so, especially if there is nowhere nearby which offers such products in person and because online offers the greatest availability. Many appreciate the fact that they can often find reviews on products online which help determine the quality and reliability of the products and of the vendor before purchasing. Many spend time establishing a base level of trust with a site through reviews, and sometimes blogs, in order to ensure they are not being scammed out of their money. The most common sites used to purchase such products are Ebay and Amazon as well as Facebook where some go to dedicated pages set up around counterfeits. A few also purchase counterfeit fragrances or cosmetics from relatives and friends over social media because they often get first choice of new products and inherently have a greater sense of trust towards them. In person purchasing is preferred if conveniently available nearby for cosmetics in order to test the product first or to be able to smell a fragrance and establish its quality before buying.

Beauty and Hygiene – Quotes

> “I like the idea of people thinking I have a branded product, it kind of helps you fit in a bit more, in society.”
>
> **MALE, 35-44, BEAUTY AND HYGIENE**

> “Yes I always look at the feedback if I buy online as you can get some really bad counterfeits that are not worth paying for, on the other hand you can get some really good ones which are worth the effort so yes online reviews are worth checking.”
>
> **FEMALE, 25-34, BEAUTY AND HYGIENE**

> “I have always just bought these sort of products in person, rarely online I prefer to touch them, smell them etc. I am always sceptical in case these products are dangerous or I have a bad reaction to them.”
>
> **FEMALE, 35-44, BEAUTY AND HYGIENE**

> “Recently I found a discount store that sells replica Invictus and 1 million, they are so good that most people can’t tell the difference. I can, but it’s so slight. They cost £1 and while they are not as strong smelling and don’t last as long they are just so much cheaper. I use it for normal every day stuff and save the real thing for going out for drinks/meals. I will normally buy a couple of bottles a month, because they are so cheap. The quality of the ingredients may not be fantastic but I tend to spray my clothes rather than directly onto my skin so this is less of a concern.”
>
> **MALE, 35-44, BEAUTY AND HYGIENE**

Male/Female Clothing Excluding Sportswear

The **7%** of clothing consumers who had purchased a counterfeit product in that category in the past year were asked in further detail about their purchasing behaviour.

They tended to purchase counterfeit products in this category:

Monthly (12 times a year)	Every 3 months	Every 6 months	Once a year	Less than once a year
8%	7%	11%	15%	55%

They buy counterfeit products because:

Cheaper prices	70%
The design looks similar/the same	43%
I want to have the products but can't always afford the real ones	34%
The quality is similar/the same	27%
It's easy to purchase fake/replica ones	19%
Big brands don't need the money	7%

Compared to the real thing, they were willing to pay, on average:

1/4 of the price	1/2 the price	3/4 of the price
42%	40%	19%

Most likely to buy products based on the following brands:

01	Other	38%
02	GUCCI	21%
03	High street brands (Zara, Topshop, etc)	16%

Most used sources to purchase counterfeit goods are:

From local markets when on holiday	Online via a global e-commerce site (e.g. Amazon)	From a local market in the UK
30%	22%	19%

If they couldn't purchase counterfeit products in this category they would:

Buy a similar product from a cheaper brand	44%
Go without the product	27%
Buy the product directly from the brand	16%

Base: Consumers of counterfeit Clothing in the past year (n=280)

Male/Female Accessories Excluding Watches

The **11%** of accessories consumers who had purchased a counterfeit product in that category in the past year were asked in further detail about their purchasing behaviour.

They tended to purchase counterfeit products in this category:

Monthly (12 times a year)	Every 3 months	Every 6 months	Once a year	Less than once a year
5%	6%	11%	14%	65%

They buy counterfeit products because:

Cheaper prices	68%
I want to have the products but can't always afford the real ones	38%
The design looks similar/the same	34%
The quality is similar/the same	20%
It's easy to purchase fake/replica ones	11%
Big brands don't need the money	6%

Compared to the real thing, they were willing to pay, on average:

1/4 of the price	1/2 the price	3/4 of the price
49%	32%	19%

Most likely to buy products based on the following brands:

01	Other	27%
02	GUCCI	24%
03	CHANEL	23%

Most used sources to purchase counterfeit goods are:

From local markets when on holiday	Online via a global e-commerce site (e.g. Amazon)	From a local market in the UK
36%	21%	13%

If they couldn't purchase counterfeit products in this category they would:

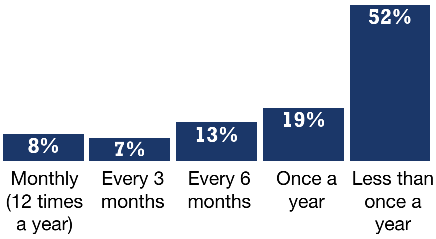
Buy a similar product from a cheaper brand	37%
Go without the product	35%
Buy the product directly from the brand	17%

Base: Consumers of counterfeit Accessories in the past year (n=262)

Male/Female Footwear Excluding Trainers

The **4%** of footwear consumers who had purchased a counterfeit product in that category in the past year were asked in further detail about their purchasing behaviour.

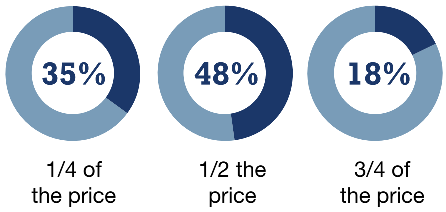
They tended to purchase counterfeit products in this category:



They buy counterfeit products because:

Cheaper prices	68%
The design looks similar/the same	34%
The quality is similar/the same	28%
I want to have the products but can't always afford the real ones	26%
It's easy to purchase fake/replica ones	18%
Big brands don't need the money	10%

Compared to the real thing, they were willing to pay, on average:



Most likely to buy products based on the following brands:

01	Other	40%
02	GUCCI	24%
03	Timberland	23%

Most used sources to purchase counterfeit goods are:

- **28%** Online via a global e-commerce site (e.g. Amazon)
- **21%** In-store not from the brand (from a smaller retailer)
- **17%** From local markets when on holiday

If they couldn't purchase counterfeit products in this category they would:

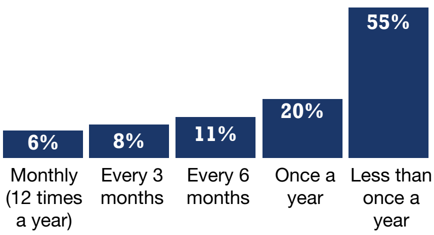
Buy a similar product from a cheaper brand	44%
Go without the product	28%
Buy the product directly from the brand	17%

Base: Consumers of counterfeit Male or Female Footwear/Shoes Excluding Trainers in the past year (n=134)

Male/Female Watches (inc. Smart Watches)

The **7%** of watch consumers who had purchased a counterfeit product in that category in the past year were asked in further detail about their purchasing behaviour.

They tended to purchase counterfeit products in this category:



They buy counterfeit products because:

Cheaper prices	46%
The design looks similar/the same	43%
The quality is similar/the same	28%
I want to have the products but can't always afford the real ones	26%
It's easy to purchase fake/replica ones	25%
Big brands don't need the money	8%

Compared to the real thing, they were willing to pay, on average:

Most likely to buy products based on the following brands:

01	ROLEX	30%
02	OMEGA	19%
03	GUCCI	16%

Most used sources to purchase counterfeit goods are:

- **33%** From local markets when on holiday
- **23%** Online via a global e-commerce site (e.g. Amazon)
- **16%** From online sellers abroad

If they couldn't purchase counterfeit products in this category they would:

Go without the product	34%
Buy a similar product from a cheaper brand	33%
Buy the product directly from the brand	19%

Base: Consumers of counterfeit Watches in the past year (n=76)

Sports

The profile of those who had purchased counterfeit sports products in the last year skewed **male**. It also had, compared with other categories, a more **even distribution** of counterfeit purchasing between those aged **18-54** and among the **'passion'** level they had for products in this category.

General consumption (last year)

Sports consumers (i.e have purchased a product in the last year)

49%

Sports consumers who have purchased a counterfeit good in the past year

9%

% of consumers in each who have purchased a counterfeit in the last year

9%	Sportswear from clubs/franchises (e.g football shirts, basketball jerseys etc.)
6%	Regular sportswear (e.g. t-shirts, shorts, leggings etc.)
5%	Sports footwear (i.e. trainers) from sports or fashion brands
3%	Sports equipment (e.g. racquets, bats, football, bikes etc.)

Base: Consumers in this category in the past year (Sports n=2447)

Of consumers in this category the following had purchased counterfeit goods

Gender

10% Male

7% Female

Age	%
18 - 24	8%
25 - 34	13%
35 - 44	10%
45 - 54	7%
55+	5%

Social Grade

8% ABC1

10% C2DE

'Passion' for Sports

High	Medium	Low
11%	8%	7%

Regular Sportswear

The **6%** of regular sportswear consumers who had purchased a counterfeit product in that category in the past year were asked in further detail about their purchasing behaviour.

They tended to purchase counterfeit products in this category:

Monthly (12 times a year)	Every 3 months	Every 6 months	Once a year	Less than once a year
9%	7%	20%	12%	52%

They buy counterfeit products because:

Cheaper prices	69%
The design looks similar/the same	34%
I want to have the products but can't always afford the real ones	30%
The quality is similar/the same	28%
It's easy to purchase fake/replica ones	20%
Big brands don't need the money	12%

Compared to the real thing, they were willing to pay, on average:

1/4 of the price	1/2 the price	3/4 of the price
39%	46%	15%

Most likely to buy products based on the following brands:

01	adidas	59%
02	NIKE	49%
03	LACOSTE	18%

Most used sources to purchase counterfeit goods are:

25% Online via a global e-commerce site (e.g. Amazon)

22% From a local market in the UK

19% From local markets when on holiday

If they couldn't purchase counterfeit products in this category they would:

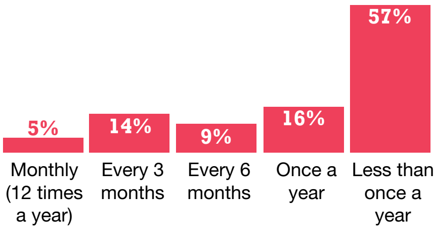
Buy a similar product from a cheaper brand	37%
Buy the product directly from the brand	25%
Go without the product	24%

Base: Consumers of counterfeit regular Sportswear in the past year (n=90)

Sports Footwear from Sports/Fashion Brands

The 5% of sports footwear consumers who had purchased a counterfeit product in that category in the past year were asked in further detail about their purchasing behaviour.

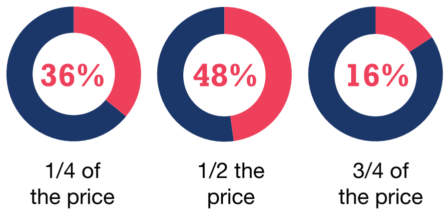
They tended to purchase counterfeit products in this category:



They buy counterfeit products because:

Cheaper prices	72%
The design looks similar/the same	49%
The quality is similar/the same	31%
It's easy to purchase fake/replica ones	26%
I want to have the products but can't always afford the real ones	24%
Big brands don't need the money	10%

Compared to the real thing, they were willing to pay, on average:



Most likely to buy products based on the following brands:

01	NIKE	54%
02	adidas	50%
03	CONVERSE	16%

Most used sources to purchase counterfeit goods are:

31% From local markets when on holiday

24% From a local market in the UK

16% Online via a global e-commerce site (e.g. Amazon)

If they couldn't purchase counterfeit products in this category they would:

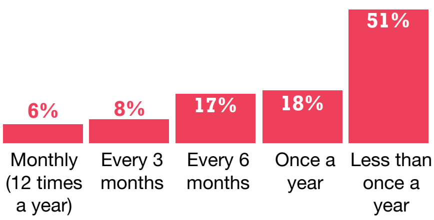
Buy the product directly from the brand	35%
Buy a similar product from a cheaper brand	32%
Go without the product	19%

Base: Consumers of counterfeit Sports footwear in the past year (n=86)

Sportswear from Clubs/Franchises

The 9% of consumers sportswear from clubs/franchises who had purchased a counterfeit product in that category in the past year were asked in further detail about their purchasing behaviour.

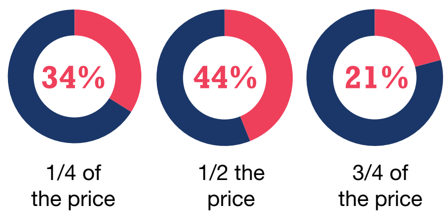
They tended to purchase counterfeit products in this category:



They buy counterfeit products because:

Cheaper prices	66%
The design looks similar/the same	39%
The quality is similar/the same	31%
It's easy to purchase fake/replica ones	31%
I want to have the products but can't always afford the real ones	22%
Big brands don't need the money	13%

Compared to the real thing, they were willing to pay, on average:



Most likely to buy products based on the following brands:

01	Premier League	58%
02	LaLiga	20%
03	The FA	14%

Most used sources to purchase counterfeit goods are:

26% Online via a global e-commerce site (e.g. Amazon)

23% From local markets when on holiday

19% Online not from the brand - via a smaller retailer

If they couldn't purchase counterfeit products in this category they would:

Go without the product	38%
Buy the product directly from the brand	31%
Buy a similar product from a cheaper brand	24%

Base: Consumers of counterfeit in the past year Soirtswear From Clubs/Franchises (n=55)

Clothing, Footwear, Acessories and Sportswear – Qualitative insights

Fashion is considered particularly important as it is a daily consideration and an **integral part of an individual's identity**. Though, in many ways, sportswear appears to be less emotionally significant than fashion and more practical (given the specific context of its use in being active) branding is still important for some and the appeal of counterfeits is in finding lower priced replicas of the main brands. Many say that wearing these brands makes them **feel special, part of popular culture** and some directly address the idea of **feeling and looking wealthier than they actually are**.

The concerns cited when considering counterfeit fashion and sportswear products revolved almost exclusively around quality, durability and a fear of wasting money. Though they expect a somewhat lower quality than the genuine article, many had experienced products ripping or being so poorly replicated that others would notice they are fake and therefore did not feel comfortable wearing them. As a result, some were spending more time researching products based off such experiences or tended to buy them less and less.

Going online to buy a counterfeit fashion or sportswear item was often the preferred choice when looking for items from a specific brand (e.g. Armani socks, a certain model of Nike trainers etc.) owing to a greater range of products being available online than in person. Though many said it takes a while to find a trustworthy provider amongst multiple sites, once established, online was the easiest way of getting what they wanted. Some also mentioned the benefit of anonymity when shopping online as they would rather not be seen shopping for counterfeit items in person. However, if available, the opportunity to buy in person was preferred by some given the ability to feel and see products beforehand. Some even waited until holidays to purchase counterfeit fashion items from markets abroad given the extensive range of accessories at low prices and the excitement of bringing back a designer handbag or pair of sunglasses as a holiday treat.

Toys

The profile of those who had purchased counterfeit Toys in the past year skewed towards respondents who were **male, younger** (i.e. those aged under 35) and who had a **'high' passion** for those products.

General consumption (last year)

Toy consumers (i.e have purchased a product)

31%

Toy consumers who have knowingly purchased a **counterfeit** good in the past year

5%

% of consumers in each who have purchased a counterfeit in the last year

4%
Toy building sets (e.g. Lego, Meccano)

4%
Merchandise from TV/Film (e.g. collectors items, teddy bears, etc.)

3%
Dolls/action figure toys (e.g. superheros, Barbie/Ken, Peppa Pig etc.)

Of consumers in this category the following had purchased counterfeit goods

Gender

7% Male

4% Female

Age	%
18 - 24	8%
25 - 34	9%
35 - 44	4%
45 - 54	3%
55+	2%

Social Grade

5% ABC1

6% C2DE

'Passion' for Toys

High	Medium	Low
8%	6%	2%

Base: Consumers in this category in the past year (Toys n=1564)

Clothing, Footwear, Accessories and Sportswear – Quotes

"Having a replica item makes me feel really good, I like to show it off, I don't ever brag and pretend it's the real thing but it still makes me feel like strangers look at me and think wow she can afford a nice bag. I know for one bag I bought, if I'd bought the real item it would have cost over £1,000, and I got the bag for £15."

FEMALE, 35-44, CLOTHING, FOOTWEAR & ACCESSORIES AND SPORTSWEAR

"Concerns I have are that the item is very poor quality, or that there are glaring errors with branding or design that make it very obvious that it's fake (this is a particularly big concern for brands with very distinctive patterns such as Louis Vuitton and Burberry). If buying online then a concern would be that I would be sold something where the picture is misleading and I am sold something of really bad quality."

FEMALE, 25-34, CLOTHING, FOOTWEAR & ACCESSORIES AND SPORTSWEAR

"I don't buy counterfeits that often, mainly when I'm on holiday. Because on holiday they are everywhere with lots of different types of handbags which is hard to resist."

FEMALE, 35-44, CLOTHING, FOOTWEAR & ACCESSORIES AND SPORTSWEAR

> "There aren't any brands in particular that I would like to buy counterfeits of, but I would buy any brand which is one of the very expensive high fashion brands that carries a lot of prestige (Gucci, Prada, D&G, Chanel etc.) It makes me feel cool and like I'm better than everyone else, similar feelings to how I'd feel if I bought a real product by an expensive brand. This is how I felt when I bought the last counterfeit product. I also felt proud of myself for finding something that looked genuine for a fraction of the price of a real version. I would only tell close family or my partner because I wouldn't want them to think I'd wasted loads of money on one thing and that I had been reckless, but I wouldn't tell anyone else."
>
> **FEMALE, 25-34, CLOTHING, FOOTWEAR & ACCESSORIES AND SPORTSWEAR**

Electricals

The profile of those who had purchased counterfeit electricals in the past year skewed towards respondents who were **male, younger** (i.e. those aged under 35) and who had a **'high' passion** for those products

General consumption (last year)

Electrical consumers (i.e have purchased a product)

68%

Electrical consumers who have knowingly purchased a **counterfeit** goods

5%

% of consumers in each who have purchased a counterfeit in the last year

5% Electrical accessories (e.g. headphones, chargers, adaptors etc.

3% DVDs and Blu Rays

2% Male or female beauty/hygiene related electricals (e.g. hairdryers, curlers, shavers etc.)

1% Electrical devices (e.g. mobile phones, DVD players, laptops etc.)

Base: Consumers in this category in the past year (Electricals n=3404)

Of consumers in this category the following had purchased counterfeit goods

Gender

Male	Female
6%	4%

Age	%
18 - 24	9%
25 - 34	8%
35 - 44	5%
45 - 54	3%
55+	2%

Social Grade

ABC1	C2DE
5%	5%

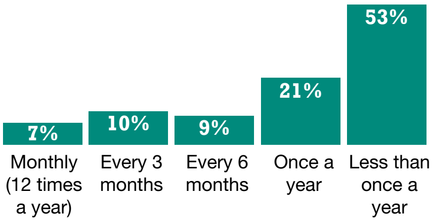
'Passion' for Electricals

High	Medium	Low
8%	5%	3%

Electrical Accessories

The **5%** of consumers of electrical accessories who had purchased a counterfeit product in that category in the past year were asked in further detail about their purchasing behaviour.

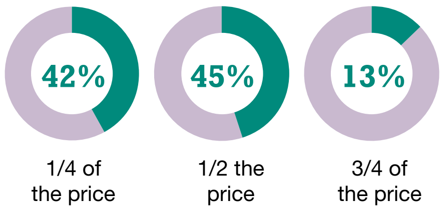
They tended to purchase counterfeit products in this category:



They buy counterfeit products because:

Cheaper prices	76%
The quality is similar/the same	34%
I want to have the products but can't always afford the real ones	27%
The design looks similar/the same	23%
It's easy to purchase fake/replica ones	22%
Big brands don't need the money	8%

Compared to the real thing, they were willing to pay, on average:



Most likely to buy products based on the following brands:

01	Apple	45%
02	SAMSUNG	25%
03	Beats	16%

Most used sources to purchase counterfeit goods are:

- **58%** Online via a global e-commerce site (e.g. Amazon)
- **13%** From a local market in the UK
- **14%** From local markets when on holiday

If they couldn't purchase counterfeit products in this category they would:

Buy a similar product from a cheaper brand	48%
Buy the product directly from the brand	27%
Go without the product	11%

Base: Consumers of counterfeit Electrical Accessories in the past year (n=104)

Electricals – Qualitative insights

The purchasing of counterfeit electricals is driven by **price and the experience of having to buy electrical accessories regularly due to their heavy use**. Therefore many try to avoid paying high prices for authentic products, expecting to have to replace the item and pay again in a short space of time. The purchase of counterfeit electrical items is, therefore, often **driven by practicality** rather than a desire for a particular product.

The most commonly bought electrical items appear to be laptops and phone chargers along with headphones. These items are ones which are used daily and often passed around family members meaning they are regularly lost or damaged. As a result, many seek out counterfeit versions in order to reduce their annual spend on such items. Though some do attach value to the branding of their accessories, particularly in the case of headphones or smartwatches, the main driver for purchasing counterfeits overall is **convenience and reduced cost**.

Many accept the counterfeit accessories they purchase may be of a slightly lower quality than their authentic counterparts, particularly in relation to general efficiency (e.g. speed) and sound quality. However, many feel that the savings they make outweigh the compromise in quality. There is **slight concern around the safety of counterfeit electrical items**, usually pertaining to the effects on their phones or laptops as opposed to major risks to their own safety. Though some mention having seen or read worrying accounts of the fire risks of counterfeit electrical items, few have had enough bad experiences to put them off saving money.

Most look on big online marketplaces such as Ebay and Amazon for cheap versions of headphones or chargers or simply type the product they want into Google and follow the links provided. Online purchasing offers them particular benefits such as finding deals or multi packs of certain items. The broader range of products online is also preferable for those looking to find good quality replicas of bigger label products such as headphones or smartwatches where aesthetics and branding play a bigger role. Many also search for reviews of counterfeit products to ensure a reasonable standard of quality and browse through product features to ensure they are similar to the original.

Alcohol

The profile of those who had purchased counterfeit Alcohol in the past year peaked among the **youngest age group** in our sample (i.e. those aged 18-24).

General consumption (last year)

Alcohol consumers (i.e have purchased a product)

75%

Alcohol consumers who have knowingly purchased a **counterfeit** good

2%

% of consumers in each who have purchased a counterfeit in the last year

2%	1%	1%
Bottles of spirits (e.g. Vodka)	Bottles/cans of beer	Bottles of wine/champagne

Of consumers in this category the following had purchased counterfeit goods

Gender

2%	2%
Male	Female

Age	%
18 - 24	7%
25 - 34	4%
35 - 44	2%
45 - 54	1%
55+	1%

Social Grade

2%	2%
ABC1	C2DE

'Passion' for Alcohol

4%	3%	1%
High	Medium	Low

Base: Consumers in this category in the past year (Alcohol n=3759)

Electricals – Quotes

> “My slight concerns around safety stem from news stories I have read in the past but I think that anything can go wrong with items regardless of if they are branded or not and the news only reports the bad ones. I have had no bad experiences and am not really concerned too much. The only thing I do due to small concerns which have stemmed from news stories is to not buy counterfeit items intended to be used by or with my toddler.”
>
> **MALE, 35-44, ELECTRICALS**

> “The last counterfeit product I bought was a pair of “Escape Pods” which are a dupe for the Apple “AirPods”. I had wanted to purchase the genuine Apple AirPods for some time, but as a university student I did not see this as a sensible use of my money. Therefore I googled to find which were the best fakes of the product. Several different fakes came up, some appearing more genuine than others. After this searching, personalised adverts started appearing in my social media, which is how I came across “Escape Pods”. I checked the company’s Instagram and Facebook page and saw comments from genuine people who had purchased them. I decided to purchase a pair from their website.”
>
> **FEMALE, 18-24, ELECTRICALS**

> At the moment, due to my lack of bad experiences with buying counterfeits, I am pretty confident purchasing electrical counterfeits. Normally, I still read the online comments and reviews and base my decisions on that.
>
> **FEMALE, 18-24, ELECTRICALS**

> I purchased EarPods from a street dealer. Wasn't really looking for them but they seemed reasonable quality and a good price. Like most apple products the real thing is overpriced!
>
> **MALE, 55+, ELECTRICALS**

Beauty and Hygiene

The profile of those who had purchased counterfeit Beauty & Hygiene products in the last year skewed younger (i.e aged 35 and younger) and towards those with a "high passion" for those products.

General consumption (last year)

Beauty and Hygiene consumers (i.e have purchased a product)

96%

Beauty and Hygiene consumers who have knowingly purchased a **counterfeit** good

6%

% of consumers in each who have purchased a counterfeit in the last year

5%

Male or female beauty products (e.g make up, skincare, perfume)

3%

Hygeine products

Of consumers in this category the following had purchased counterfeit goods

Gender

Male	Female
7%	5%

Age	%
18 - 24	14%
25 - 34	13%
35 - 44	7%
45 - 54	2%
55+	2%

Social Grade

ABC1	C2DE
6%	6%

'Passion' for Beauty & Hygiene

High	Medium	Low
13%	6%	2%

Base: Consumers in this category in the past year (Beauty & Hygiene n=4780)

SECTION 4

Category-level insights

Key insights:

We have reported on data at an overall category level (e.g. ‘Beauty & Hygiene’) and have included detailed questions at a sub-category level (e.g. ‘Beauty products’) where sample sizes are sufficient (i.e. at least 50).

Across all categories respondents from **younger age groups** (i.e. under 35) were **most likely to have purchased counterfeit goods**. This was highest in ‘Clothing, Footwear & Accessories’ where approximately one in five of consumers aged 18-24 (21%) and 25-34 (21%) had purchased counterfeit goods.

Across each subcategory the key reason for purchasing counterfeit goods was the **cheaper price**. Across most sub-categories (where we have a sufficient number of responses) this was followed by respondents saying the **the design was the same** (e.g. ‘Clothing’, ‘Footwear’, ‘Accessories’ and ‘Sports’). There were also other categories where the **quality was perceived to be the same** (e.g. ‘Beauty’, ‘Hygiene’ and ‘Electrical accessories’).

Across most sub-categories respondents were most likely to say that they were, on average, **willing to pay half the price** for the counterfeit version, compared to the real thing. The exceptions to this were the following categories where they were most likely to say they were only willing to pay a quarter of the price: Watches (51%), Accessories (49%), Clothing (42%).

Key **sources of counterfeit purchasing** varied by category:

- In all categories, **online via a global e-commerce** site was in the top three sources and, in many cases, was the most used source (beauty products, hygiene products, footwear, regular sportwear, sportswear from clubs/franchises, electrical accessories).
- Other crucial sources included **markets on holiday** (most used source for purchasing clothing, accessories, watches and sports footwear) or **instore from smaller retailers** (most used source for purchasing hygiene products).

It is encouraging to note that, when asked what they would do if they could **no longer purchase counterfeits goods**, those who said they would go without the product were **outnumbered by those who would spend** money on either buying the product directly from the brand or on a similar product from a cheaper brand.

SECTION 5

Communications testing

Informing the communications testing:

The final part of the **qualitative element** of the study set out to explore the type of messaging which would be most effective in reducing the purchasing of counterfeit products. **Two sets of messaging were put together for initial exploration**; one showing existing anti-counterfeit campaigns from different regions and organisations and the other stating simple facts and statistics about the impact of the industry or the danger of certain counterfeit goods.

The findings showed that many aspects of the messaging had **strong potential** to create behaviour change but **needed refining** in order to maximise their impact and reduce any current detractors to credibility. Largely, reactions to the messages were positive, with many considering for the first time that counterfeiting was not a victimless crime as they had previously thought. However, where there were no statistics or figures to back up certain messages, some were sceptical about the validity of the campaigns, despite saying that the messages would be very persuasive if proven true.

Overall, the messages about electrical goods were seen to be compelling and engaging due to the immediate risk to personal safety and comfort which they posed to the individual or their loved ones. Many reflected on the consequences of unregulated electrical items catching fire or exploding and the figures given on the number of fires caused by counterfeit electricals per year helped persuade participants that this was a legitimate, real life, threat.

The response to other messages which dealt with the impact of counterfeit goods more generally was mixed. Hearing about the impact of the counterfeit trade worldwide surprised and concerned many who were not aware of the implications of purchasing counterfeits. The knowledge that they were in some way potentially contributing to the funding of child labour or other criminal activities proved to be concerning and off putting for many. However, questions around the validity of certain allegations and reports around links to terrorism or related criminal activity lead to a number of people feeling sceptical about the claims being made. They felt that if there was evidence to prove such allegations, they would reconsider their behaviour but that currently these links felt tenuous. Some also felt that while much of the information about child labour and workers' rights was sad and disheartening, the root cause of counterfeiting lay with the very high prices brands demand for genuine articles while others also highlighted that authentic brands were often also guilty of using child labour and that there was therefore an element of hypocrisy.

Therefore, while many were shocked by the campaigns and said they would reconsider buying counterfeits, there were many people who defended their right to continue purchasing counterfeit goods even after exposure to anti-counterfeit campaigns. In light of these responses, we then bolstered messages with facts and figures where we could, in order to optimise them for quantitative testing.

Development of consumer segments:

These segments were developed from reactions to initial message testing in the qualitative phase. Respondents in the last stage (3) of quantitative research were profiled and categorised into these three segments. They were not mutually exclusive with overlap between the 'Sceptical' and 'Defiant'.

Segment 1 – Guilty	Segment 1 – Sceptical	Segment 1 – Defiant
		
Simply **opening their eyes** to the dangers and harms of counterfeit goods seems enough to make them rethink purchasing counterfeits	These people are suspicious of the **validity of top-level facts** about the impact of counterfeit goods and want to see more evidence	**Anti-industry** in their views/philosophy and defend their right to purchase counterfeits
81% of the sample	**12% of the sample**	**14% of the sample**

Overview of methodology:

The learnings from the qualitative phase informed a second iteration of behaviour change campaign messaging. These broadly fell into one of three categories: Global Impact – Economic; Global Impact – Human and Personal Impact. The messages were tested with (n=1,010) respondents who were non-rejectors of either purchasing or receiving counterfeit goods. For the purposes of consistency, images were removed and all messages were shown purely in text form. Given feedback from respondents around credibility, some messages were bolstered with further statistics. The messages were tested in four surveys which were live between November and December 2019.

Global Impact (Economic)

- Figures from the UK government show that the annual loss to the economy through counterfeiting and piracy is £9 billion, plus 80,500 job losses each year.
- EUIPO research estimates that counterfeits such as bags, clothing and electrical goods cost the EU €60 billion, as well as 434,000 job losses each year.
- According to the International Chamber of Commerce, governments across countries miss out on around $89 billion per year through the loss of sales tax on counterfeit products, meaning less public money to use on schools, roads and hospitals.
- Legitimate companies face competition from counterfeiters who steal their intellectual property without paying taxes or complying with quality standards. This damages the legitimate brand's reputation, profit and workforce.

Global Impact (Human)

- Counterfeiting has a considerable impact on the rights of workers around the globe. The lack of control over working conditions and respect of employment rights places workers who produce counterfeit goods, many of them children, in very vulnerable positions.
- According to the United Nations Commission on Crime Prevention and Criminal Justice, counterfeiting is now the second largest source of criminal income worldwide.
- There are proven links between the sale of counterfeit goods and the funding of terrorist operations and of prominent groups such as Isis, the IRA, Al Qaïda etc. For example, police believe the perpetrators of the Charlie Hebdo attacks sold counterfeit Nike trainers in order to fund the weapons they used.
- According to police, this year has seen an increase in incidents of counterfeiting operations in the UK that are linked to organised criminal groups, human trafficking, child sexual exploitation and prostitution.

Personal Impact

- In England alone, between 2017-2018, faulty domestic appliances were responsible for 2,764 domestic fires – over 7 a day on average.
- In April 2018, the LAPD raided the city’s fashion district and seized $700,000 worth of counterfeit cosmetics after customers complained of bumps and rashes. Test results showed the products contained high levels of bacteria and animal waste.
- Criminals behind websites selling counterfeit goods may use your card details and personal information for other fraudulent scams.
- In France, buying or carrying a counterfeit product is a criminal offence punishable by up to 3 years imprisonment and a €300,000 fine. This law applies to anyone, local or tourist, on French territory in possession of a counterfeit product.

Overview of messaging effectiveness:

Global Impact (Human) Messaging

The **most effective messaging overall** in persuading people not to buy counterfeits fell within the **'Global Impact (Human)' category**. It was said to be effective by **more than half** of our sample (55%) and related to the links between **terrorism and physical counterfeits**. The **second most effective** (selected by 43%) highlighted the links between **counterfeits and criminal originations/activity**.

There was one piece of messaging in this category which was **not as effective,** 'According to the United Nations Commission on Crime Prevention and Criminal Justice, counterfeiting is now the second largest source of criminal income worldwide', which was selected by only 12%. This could be because, compared with other messages in this category, it lacked concrete examples of the harmful effects of purchasing counterfeits on people.

Personal Impact Messaging

The four pieces of messaging which emphasised the Personal Impact to consumers were all consistent in terms of overall effectiveness. All four of the messages tested were selected by between 24-29% of our sample.

Global Impact (Economic) Messaging

The Global Impact (Economic) messaging was least effective out of the categories tested. There was some variation, with messaging that highlighted the impact to the economy/jobs in the UK (selected by 23%) being more effective than that which highlighted the impact to the EU (10%).

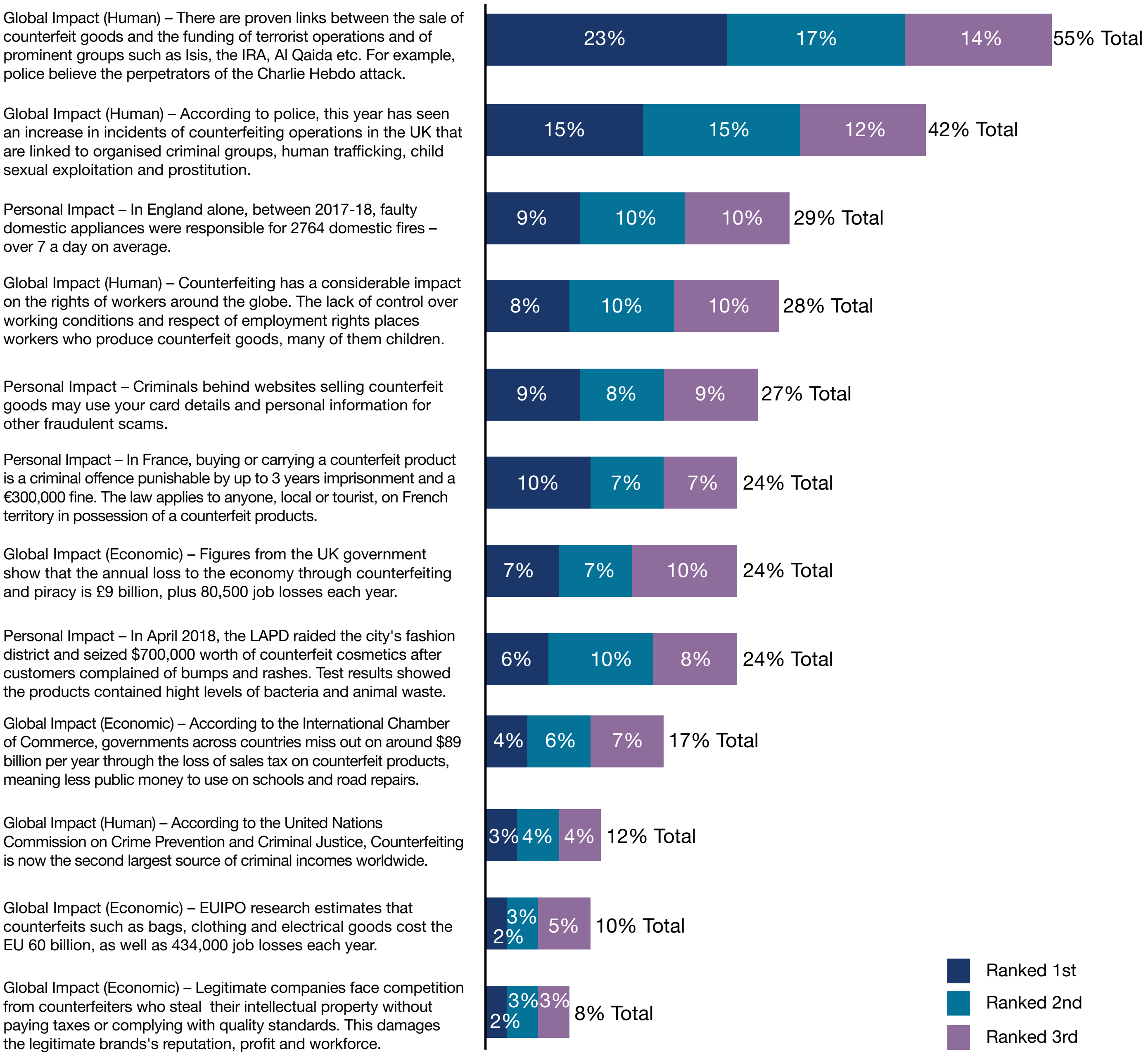
Why The Messaging Was Unlikely To Change Minds

Those who said a piece of messaging was unlikely to change their mind were asked the reasons why (via a pre-coded question). The answers across all of the messaging categories followed a similar pattern, with respondents most likely to say that they would need more information. There was also a minority, ranging from 17-31% across all messages, who were sceptical and felt that those publishing them have their own agendas.

Messaging effectiveness (full results):

Which of these messages do you think would be most effective in persuading you not to buy or receive “Fake” OR “Replica” goods in the future? Please rank your top three messages in order of effectiveness.

Base: Would never buy counterfeits (n=2,345), Used to purchase counterfeits (n=552), Would consider buying counterfeits in the future (n=403)



Feedback on Global Impact (Human) Messaging:

Message 1 — Counterfeiting has a considerable impact on the rights of workers around the globe. The lack of control over working conditions and respect of employment rights places workers who produce counterfeit goods, many of them children, in very vulnerable positions.

Message 2 — According to the United Nations Commission on Crime Prevention and Criminal Justice, counterfeiting is now the second largest source of criminal income worldwide.

Message 3 — There are proven links between the sale of counterfeit goods and the funding of terrorist operations and of prominent groups such as Isis, the IRA, Al Qaïda etc. For example, police believe the perpetrators of the Charlie Hebdo attacks sold counterfeit Nike trainers in order to fund the weapons they used.

Message 4 — According to police, this year has seen an increase in incidents of counterfeiting operations in the UK that are linked to organised criminal groups, human trafficking, child sexual exploitation and prostitution.

Q. Thinking about the information we just showed you. How surprised did it make you feel?

	Message 1	Message 2	Message 3	Message 4
Extremely surprised	9%	21%	36%	27%
Very surprised	22%	34%	29%	28%
Moderately surprised	30%	23%	19%	23%
Slightly surprised	15%	11%	9%	13%
Not at all surprised	25%	11%	8%	10%

Q. Were you previously aware of the information we showed you?

	Message 1	Message 2	Message 3	Message 4
I was aware of all of it	10%	5%	4%	5%
I was aware of most of it	28%	17%	12%	15%
I was aware of some of it	44%	33%	20%	32%
I was not aware	18%	44%	64%	48%

Q. How likely, if at all, is it that the information we showed you would prevent you from buying or receiving "fake" or "replica" products in the future?

	Message 1	Message 2	Message 3	Message 4
Very likely	38%	43%	62%	59%
Somewhat likely	36%	32%	21%	24%
Neither likely nor unlikely	17%	16%	11%	11%
Somewhat unlikely	7%	7%	4%	3%
Very unlikely	2%	2%	3%	3%

Q. Why is the information we showed you unlikely to change your mind?

	Message 1 (base n=255)	Message 2 (base n=253)	Message 3 (base n=172)	Message 4 (base n=170)
I don't believe the information is true	8%	13%	22%	22%
I would need further information	63%	61%	55%	60%
I think the people publishing this have their own agenda	19%	21%	29%	23%
I think it is an attempt to disadvantage people like me	15%	14%	19%	20%
Other	12%	9%	8%	6%

Why Global Impact (Human) messaging was effective:

Messages about the way in which the counterfeit trade impacts other people around the world were seen as very effective owing to the fact that there had previously been such low awareness of the human cost of the industry. Learning that by purchasing counterfeits they were involved in the funding of criminal activity, especially terrorism and the exploitation of children, many felt it would be selfish to continue purchasing counterfeit goods simply to feel good and save money while others were suffering.

Q. What is it you find effective about this message?

Message 1 — Counterfeiting has a considerable impact on the rights of workers around the globe. The lack of control over working conditions and respect of employment rights places workers who produce counterfeit goods, many of them children, in very vulnerable positions.

- *"It puts vulnerable children in danger and exploits workers, many of whom don't have any choice but to work under terrible conditions. We shouldn't be buying cheap, counterfeit goods."*
- *"The human element, not financial only, the workers employed in sub standard conditions with no rights of appeal against abuse etc. Children should be at school not having to support their families."*

Message 2 — According to the United Nations Commission on Crime Prevention and Criminal Justice, counterfeiting is now the second largest source of criminal income worldwide.

- *"Because it shows that a supposedly 'harmless' crime where no one gets hurt is such a huge contributor to criminal income."*
- *"It is shocking to read. The second largest source of income is surprising and shouldn't happen."*

Message 3 — There are proven links between the sale of counterfeit goods and the funding of terrorist operations and of prominent groups such as Isis, the IRA, Al Qaïda etc. For example, police believe the perpetrators of the Charlie Hebdo attacks sold counterfeit Nike trainers in order to fund the weapons they used.

- *"Because it makes the impact so real, it's not just about having a cheap item it's about playing a part in the death of people, helping to fund the criminals and terrorists just to look good."*
- *"Terrorism has become more prominent in people's minds nowadays so I think this message shows a way that the general public can play a part in preventing it."*
- *"I did not realise there was such a big link between fake goods and terrorist groups."*

Message 4 — According to police, this year has seen an increase in incidents of counterfeiting operations in the UK that are linked to organised criminal groups, human trafficking, child sexual exploitation and prostitution.

- *"Makes you aware of the victims of the crime being children and the kinds of criminal activities that are linked to the profits - the fact it is linked to the UK makes it particularly relevant."*
- *"I had never realised the link between organised crime & counterfeit goods before & it scares me that by buying fake branded products we would be encouraging sexual exploitation etc."*

Feedback on Personal Impact Messaging:

Message 5 — In England alone, between 2017 - 2018, faulty domestic appliances were responsible for 2764 domestic fires – over 7 a day on average.

Message 6 — In April 2018, the LAPD raided the city's fashion district and seized $700,000 worth of counterfeit cosmetics after customers complained of bumps and rashes. Test results showed the products contained high levels of bacteria and animal waste.

Message 7 — Criminals behind websites selling counterfeit goods may use your card details and personal information for other fraudulent scams.

Message 8 — In France, buying or carrying a counterfeit product is a criminal offence punishable by up to 3 years imprisonment and a €300,000 fine. This law applies to anyone, local or tourist, on French territory in possession of a counterfeit product.

Q. Thinking about the information we just showed you. How surprised did it make you feel?

	Message 5	Message 6	Message 7	Message 8
Extremely surprised	26%	32%	11%	43%
Very surprised	33%	29%	14%	28%
Moderately surprised	20%	21%	21%	18%
Slightly surprised	9%	9%	14%	8%
Not at all surprised	11%	9%	41%	4%

Q. Were you previously aware of the information we showed you?

	Message 5	Message 6	Message 7	Message 8
I was aware of all of it	3%	4%	16%	3%
I was aware of most of it	14%	9%	27%	8%
I was aware of some of it	33%	21%	35%	10%
I was not aware	50%	66%	22%	79%

Q. How likely, if at all, is it that the information we showed you would prevent you from buying or receiving "fake" or "replica" products in the future?

	Message 5	Message 6	Message 7	Message 8
Very likely	54%	64%	64%	62%
Somewhat likely	26%	20%	22%	19%
Neither likely nor unlikely	13%	10%	9%	12%
Somewhat unlikely	5%	3%	3%	4%
Very unlikely	2%	3%	3%	3%

Q. Why is the information we showed you unlikely to change your mind?

	Message 5 (base n=195)	Message 6 (base n=158)	Message 7 (base n=146)	Message 8 (base n=189)
I don't believe the information is true	5%	9%	8%	13%
I would need further information	61%	54%	55%	39%
I think the people publishing this have their own agenda	17%	18%	23%	19%
I think it is an attempt to disadvantage people like me	11%	17%	17%	21%
Other	21%	14%	12%	24%

Why Personal Impact messaging was effective:

Messages about the potential risk of counterfeit goods to oneself or one's family were seen as immediately impactful and, in many cases, alarming and a big deterrent. Messages about potential physical harm were particularly effective due to the threat to personal safety or to loved ones. The presence of statistics and case studies in many examples helped highlight the idea that risks were common and could easily affect anyone in possession of counterfeit goods.

Q. What is it you find effective about this message?

Message 5 — In England alone, between 2017-2018, faulty domestic appliances were responsible for 2764 domestic fires – over 7 a day on average.

- *"The consequences of a home fire and possible risk to life and loss of home and possessions in itself is a powerful and poignant fact and message of deterrent."*
- *"It shows the risk and safety hazard very clearly and thus it is made very easy to see how dangerous counterfeit items are."*
- *"Its closer to home. If a house fire starts it is your family at risk. It is more immediate than some of the other options. Even though all of them are very important."*
- *"This is a shocking message. It tells me that counterfeit goods which are unsafe could put my family's life at risk."*

Message 6 — In April 2018, the LAPD raided the city's fashion district and seized $700,000 worth of counterfeit cosmetics after customers complained of bumps and rashes. Test results showed the products contained high levels of bacteria and animal waste.

- *"This would really put me off buying any cosmetics if I don't know they are legitimate and they contain animal waste potentially it isn't worth it."*
- *"I find it disgusting that it contains animal waste and bacteria and I think it is very scary. It has completely put me off."*
- *"Saying that people were coming out in rashes from wearing the items is really off puttin*g."

Message 7 — Criminals behind websites selling counterfeit goods may use your card details and personal information for other fraudulent scams.

- *"Fraud like this is a big worry for people and I think this would make them think twice about giving their details to pay for counterfeit goods."*
- *"I feel this way because it nearly happened to me, but I was lucky the credit card fraud department reimbursed me and my card was stopped immediately, and a new one arrived in 3 days. It really gave me a fright because they were so convincing and there were no red flags alarming me that they were counterfeit."*

Message 8 — In France, buying or carrying a counterfeit product is a criminal offence punishable by up to 3 years imprisonment and a €300,000 fine. This law applies to anyone, local or tourist, on French territory in possession of a counterfeit product.

- *"It emphasises that having counterfeit goods in your possession is a criminal offence, having a punishable prison sentence of up to 3 years plus a further €300,000 fine, even a tourist carrying such will receive the same sentence, so therefore I think this is the most effective."*
- *"This sends a very clear and strong message that counterfeit goods have no place in society, and that maybe the French law should be rolled out across the board."*
- *"I am shocked that even carrying a counterfeit product may earn you a 3 year prison sentence or a fine of €300,000."*

Feedback on Global Impact (Economic) Messaging:

Message 9 — Figures from the UK government show that the annual loss to the economy through counterfeiting and piracy is £9 billion, plus 80,500 job losses each year.

Message 10 — EUIPO research estimates that counterfeits such as bags, clothing and electrical goods cost the EU €60 billion, as well as 434,000 job losses each year.

Message 11 — According to the International Chamber of Commerce, governments across countries miss out on around $89 billion per year through the loss of sales tax on counterfeit products, meaning less public money to use on schools, roads and hospitals.

Message 12 — Legitimate companies face competition from counterfeiters who steal their intellectual property without paying taxes or complying with quality standards. This damages the legitimate brand's reputation, profit and workforce.

Q. Thinking about the information we just showed you. How surprised did it make you feel?

	Message 9	Message 10	Message 11	Message 12
Extremely surprised	24%	25%	24%	11%
Very surprised	38%	36%	34%	21%
Moderately surprised	24%	23%	23%	27%
Slightly surprised	9%	12%	13%	17%
Not at all surprised	6%	4%	7%	25%

Q. Were you previously aware of the information we showed you?

	Message 9	Message 10	Message 11	Message 12
I was aware of all of it	3%	3%	2%	11%
I was aware of most of it	10%	11%	11%	27%
I was aware of some of it	35%	33%	31%	37%
I was not aware	52%	53%	55%	25%

Q. How likely, if at all, is it that the information we showed you would prevent you from buying or receiving "fake" or "replica" products in the future?

	Message 9	Message 10	Message 11	Message 12
Very likely	37%	38%	41%	36%
Somewhat likely	34%	34%	31%	31%
Neither likely nor unlikely	18%	16%	16%	23%
Somewhat unlikely	8%	9%	8%	7%
Very unlikely	3%	3%	4%	4%

Q. Why is the information we showed you unlikely to change your mind?

	Message 9 (base n=293)	Message 10 (base n=283)	Message 11 (base n=283)	Message 12 (base n=336)
I don't believe the information is true	18%	22%	26%	11%
I would need further information	57%	54%	48%	53%
I think the people publishing this have their own agenda	29%	31%	36%	32%
I think it is an attempt to disadvantage people like me	21%	21%	22%	19%
Other	9%	11%	11%	10%

Why Global Impact (Economic) messaging was effective:

Though not as emotionally resonant as the messages about the human impact of counterfeits, the facts and figures around the economic consequences of the counterfeit trade opened many peoples' eyes to the everyday impact counterfeits have on a broad scale. Relating counterfeits to job losses or losses to the economy resulted in many reflecting on the idea of the counterfeit trade being a drain on society and how ordinary people might be impacted by the effects of the trade in the workplace or infrastructure across the UK.

Q. What is it you find effective about this message?

Message 9 — Figures from the UK government show that the annual loss to the economy through counterfeiting and piracy is £9 billion, plus 80,500 job losses each year.

- *"It is a UK based message rather than a global, American or European message that always dilutes the impact. It shows the amount of money lost as well as job losses and thus this can have a direct impact on people's existence."*
- *"I never thought about the huge impact it has on government, tax and people's jobs, you think of it as a victimless crime but innocent people lose work because of it."*
- *"All the money not paying taxes etc. would provide income for the NHS & other public services."*

Message 10 — IEUIPO research estimates that counterfeits such as bags, clothing and electrical goods cost the EU €60 billion, as well as 434,000 job losses each year.

- *"It shows how much the problem impacts the jobs market which is an effective way to get people thinking about it all."*
- *"It's literally stealing jobs, loads of them, and a very disgraceful way to make money."*

Message 11 — According to the International Chamber of Commerce, governments across countries miss out on around $89 billion per year through the loss of sales tax on counterfeit products, meaning less public money to use on schools, roads and hospitals.

- *"The large amount of money involved. Makes you realise how much it could go toward helping the country."*
- *"I think is wrong that schools and hospitals should lose out to this happening and it should be stopped."*

Message 12 — Legitimate companies face competition from counterfeiters who steal their intellectual property without paying taxes or complying with quality standards. This damages the legitimate brand's reputation, profit and workforce.

- *"Raises awareness about how brands can be damaged."*
- *"It is clearly true (unlike many of the other statements, which are unsupported assertions).*

Impact of Messaging on Consumer Segments:

After viewing the messaging, 63% stated that they would no longer purchase counterfeits. 5% would buy counterfeits at the same rate or more frequently and 10% would still buy them but would do so less frequently. A majority (81%) would no longer be open to receiving them as gifts.

After having viewed the messaging they would…

	Segment 1 – Guilty	Segment 2 – Sceptical	Segment 3 – Defiant
Buy counterfeits at the same rate or more frequently	3%	15%	10%
Buy them less often	7%	21%	29%
Not buy them at all	66%	50%	49%
Not be open to receiving them as gifts	87%	55%	59%

For any questions please don't hesitate to contact:

Sania Haq | sania@audiencenet.co.uk

Isaac Schling | isaac@audiencenet.co.uk

Laura-Jane Taylor | laura-jane@audiencenet.co.uk

IPO Counterfeit Goods Research 2019 – Pilot Study

Technical Appendix

Background

The Intellectual Property Office's (IPO) remit is, broadly, to create an environment that encourages innovation which consequently leads to British industry and commerce flourishing at a national and global level. For the IPO, creating respect for Intellectual Property (IP) within society is fundamental to achieving this goal.

Intellectual Property relates to a range of products and industries. This particular project focuses on the counterfeiting of physical goods, whereby a physical product infringes upon one or multiple types of intellectual property rights. Evidence shows that the counterfeiting of physical goods has considerable and wide-ranging negative consequences, for the brands/industries being targeted, individual consumers and for society as a whole. These include losses of billions of pounds to the global economy each year, lost revenues for brands/industries and potential reputational damage, and for consumers, some goods can be harmful to health (e.g. counterfeit medicines or alcohol). Furthermore, law-enforcement authorities highlight that revenues from counterfeiting often fund serious criminal activities and even terrorism.

The need to understand and minimise counterfeiting is, therefore, clear and a number of studies, to date, have made a considerable contribution to the area:

- Looking at the supply-side, evidence suggests that increased sophistication in the counterfeiting processes, and rapid advancements in technology, mean that such goods are making their way into legitimate sales channels undetected. This, in turn, can lead to consumers essentially being deceived into purchasing. The IPO's own work has also investigated the role that social media plays in increasing access to counterfeit goods.
- A number of consumer research studies have focused specifically on the demand-side of counterfeiting. These have highlighted distinct segments within the consumer population, ranging from those who are extremely cautious, to those who are deceived and those who are in some way complicit in the activities (i.e. are aware that goods are counterfeited).

Objectives

While considerable evidence exists, to enable the IPO to effectively achieve its aims, the organisation has identified a need for more consistent research on consumers in relation to the counterfeiting of physical goods. The IPO has been running a similar study, since 2012, looking at online copyright infringement and is seeking to establish a similar evidence-base for its decision-making in relation to physical goods.

Along with developing a benchmark study where trends can be monitored and tracked over time, the IPO is seeking evidence that will help facilitate behaviour change in consumers, based on their specific needs. For example, through creating awareness of counterfeiting among those who are currently being deceived, and fostering greater respect for IP among those who are more actively seeking-out such goods.

Methodology

Based on the above objectives, the IPO commissioned AudienceNet to conduct a pilot study in 2019 to benchmark the level of counterfeit purchasing and to help facilitate behaviour change. This comprised a three-staged, mixed methodology, approach that incorporated quantitative and qualitative research. The process was designed to achieve robust measurement while also offering additional depth of insight.

Stage 1: Online Survey

Online data collection, with fieldwork taking place between 13/08/19 and 05/09/19
15 minute survey
N=4,974
Nat Rep of UK +18 population

Stage 2: Ongoing Qualitative Engagement

5 day Online Community, with fieldwork taking place between 16/09/19 and 20/09/19
Mixture of research tasks, experimental conditions and discussion topics
N=64

Stage 3: Communication testing

Online data collection taking place over four surveys, with fieldwork between 01/11/19 and 02/01/20
14 minutes (in total over the four surveys)
N=1,010 (a fresh sample – i.e. those who did not take part in Stage 1)
UK +18 population who are open to purchasing or receiving counterfeit goods.

Recruitment

The survey samples were sourced through AudienceNet's network of professionally managed, ESOMAR compliant, online UK consumer research panels. The sample was targeted using demographic information already held by the panel providers (e.g. age, region and gender).

To ensure that the survey samples were not self-selecting in any way, when invited to take part, respondents were not made aware of the specific focus on counterfeit purchasing. They were simply told that the study was about consumption habits. To encourage honesty, from the outset they were however assured that their responses would be anonymized and therefore untraceable to them.

An incentive was paid to each respondent who took part in the surveys and a further one was paid to those who took part in the Online Community.

Stage 1 – Online Survey

Quotas were set to ensure that the survey sample (N=4,974) **was representative of the UK 18+ population**, in terms of age, gender and region.

Once the survey instrument had been developed, it was **rigorously tested** to ensure that it yielded both reliable and valid data outputs. This consisted of thorough data verification checks and testing, as well as a pilot with a small sample of N=500.

The **Stage 1** survey took, on average, 14 minutes for respondents to complete. There was a dropout rate of 12%.

20 individual product categories were included in the research, which fell within six broad categories:

Beauty & hygiene	• Male or female beauty products (e.g. make-up, skincare, perfume, etc.) • Hygiene products (e.g. deodorants, soap, hair-care, shaving foam, etc.)
Clothing, footwear & accessories	• Male or female clothing excluding sportswear (e.g. shirts, t-shirts, skirts, trousers) • Male or female footwear/shoes excluding trainers • Male or female accessories excluding watches (e.g. bags, scarves, watches, jewellery, sunglasses, etc.) • Watches (including smartwatches)
Sports	• Regular sportswear (e.g. t-shirts, shorts, leggings, etc.) • Sportswear from clubs/franchises (e.g. football shirts, basketball jerseys, etc.) • Sports footwear (i.e. trainers) from sports or fashion brands • Sports equipment (e.g. rackets, bats, football, bikes, etc.)
Toys	• Dolls/action figures (e.g. superheroes, 'fake' Barbie/Ken, 'fake' Peppa Pig figures) • Toy building sets (e.g. 'fake' Lego, 'fake' Meccano) • Merchandise from TV/Film (e.g. collectors' items, figures, teddy bears, etc.)
Electricals	• Male or female beauty/hygiene related electricals (e.g. hairdryers, straighteners, curlers, shavers, etc.) • Electrical accessories (e.g. headphones, chargers, adaptors, etc.) • Electrical devices (e.g. mobile phones, DVD players, laptops, etc.) • DVDs and Blu Rays
Alcohol	• Bottles of wine/champagne • Bottles of spirits (e.g. Vodka) • Bottles/cans of Beer

There were some differences in terms of the type of information captured for some of the product categories. In most product categories respondents were asked about their favourite brands. In categories where there were a large number of products and no clear brand leaders they were instead asked about types of products. This was the case for:

Bottles of spirits
DVDs and Blu Rays
Sportswear from clubs/franchises

Stage 2 – Ongoing Qualitative Engagement

The primary aim of the Online Community was to investigate, in more depth, the drivers to purchasing counterfeit goods. It also sought to test and co-create communications messaging that could be used by the IPO to facilitate positive behaviour change.

Upon analysis of the data from the initial Online Survey, AudienceNet identified key population segments to focus on in the qualitative stage. N=64 representatives of these groups were then recruited into a 5-day Online Community. These respondents had all purchased counterfeit goods in specific categories within the last year. An even mix of genders was recruited as well as a broad range of ages from 18 to 54, with a focus on 18-34 year olds reflecting the higher incidence rate amongst this younger population.

In order to recruit for the Online Community, at the end of the Stage 1 survey, respondents were asked for their permission to be recontacted to take part in follow up research. While the opting-in element makes the sample for the Online Community self-selecting in some ways, we had a large pool (N=2,289) to select from. Further quality checks were also introduced to minimise bias:

- At the point of recruitment, those shortlisted were sent a follow-up survey to verify responses to key questions (i.e. around illegal activity).
- To gain their trust and encourage honesty, those taking part in the Community were given further assurance that their responses would be anonymous and that no action would be taken against anyone indicating that they purchase counterfeit items.

For reasons of qualitative validity (i.e. convergence of insights), four of the broad product categories were focused on in-depth in the Community. The categories of Fashion and Sportswear were combined, given the crossover. The number of participants per category was reflective of the approximate proportion of the population buying these counterfeit products as indicated by the Online Survey.

Number of Respondents (N=64):

Fashion and Sportswear (N=30) including:
o Clothing, footwear & accessories (including watches)
o Sports clothing, sports footwear and sports clothing from clubs/franchises
Beauty and hygiene (N=22)
Electrical (N=12)

Stage 3 – Communication Testing

The insights gained in the previous two stages of the research were used to develop **12 pieces of behaviour change messaging**. These fell within one of three broad categories (i.e. four in each).

These were tested over **four** surveys with non-rejectors of counterfeits (i.e. those who either had or were open to purchasing or receiving counterfeit goods). The survey explored **awareness** of these messages as well as how **effective** they were likely to be in preventing respondents from purchasing counterfeit goods in future.

Steps were taken to **minimise bias caused by order effects** (i.e. the order in which stimulus is shown). The sample was evenly split and each group was exposed to one of the three broad stimulus categories each week (i.e. 4 pieces of content per week).

Once the survey instrument had been developed, it was **rigorously tested** to ensure that it yielded both reliable and valid data outputs. This consisted of data verification checks and testing, as well as a pilot of the first of the four surveys with 100 respondents.

In total, **N=1,010** completed all four waves of the research. Only those who completed all four waves of the research were included in our results. Responses from those who did not complete all waves are excluded from the results.

The surveys were **launched** consecutively and were live on the following dates:

Survey 1: 01/11/2019 to 08/11/2019
Survey 2: 14/11/2019 to 26/11/2019
Survey 3: 27/11/2019 to 06/12/2019
Survey 4: 07/12/2019 to 02/01/2020

The combined amount of time it took to complete all four surveys was, on average, **14 minutes**. There was a dropout rate across all four surveys of **55%**.

The survey looked to reproduce the segments that were identified in the qualitative stage of the research. This was done as below:

Segment 1 — Guilty	Stated that they definitely/probably wouldn't buy counterfeits if they were aware of the harmful consequences for any of: Yourself Your friends and family Society Anyone who was classified as 'Sceptical' or 'Defiant' was excluded from this segment.
Segment 2 — Sceptical	Stated that they definitely/probably would buy counterfeits if they became aware of the harmful consequences for any of: Yourself Your friends and family Society Strongly/somewhat agree that: I don't believe what is said about the harmful consequences of "fake" or "replica" products (e.g. to society, to individuals).
Segment 2 — Defiant	Stated that they definitely/probably would buy counterfeits if they became aware of the harmful consequences for any of: Yourself Your friends and family Society Strongly/somewhat agree that: 1. It is okay for me to buy "fake" or "replica" products because the brands charge exorbitant prices for them 2. It is okay for me to buy "fake" or "replica" products because I would never be able to afford the real ones

Data Collection — pros and cons

Data was collected online and via online suppliers of representative samples of the UK 18+ population. There are a number of benefits to this approach:

- It is possible, through our network of accredited online sample providers, to reach a **representative population of the target audience** (across all of the 18+ age categories), therefore removing the need to supplement via other more time and cost-intensive means.
- Online data collection allows us to achieve significant **cost efficiencies** compared with other methods (e.g. CATI).

It is, however important to highlight that there are some limitations:

- For cost and time efficiency reasons, all respondents had internet access (i.e. the offline population was not included). It is also possible that those with **lower levels of online engagement** are less well represented in this research, compared with approaches that use offline methods to specifically target them (e.g. CATI, CAPI).
- The sample is comprised of people who have **opted in** to take part in research.

Weighting

Our sample for the Stage 1 survey was weighted by gender, age and region to ensure it was representative of the UK 18+ population and avoided any imbalances. It had a weighting efficiency of 82%.

Our sample for the Stage 3 surveys was weighted by gender to ensure it was broadly representative of the UK 18+ population who were open to purchasing/receiving counterfeit goods and avoided any imbalances. It had a weighting efficiency of 96% (it was not weighted by age and/or region as this would have produced a significantly lower weighting efficiency).

Achieved sample

For the Stage 1 survey we achieved:

Male	49%
Female	51%
Other	0%

18 - 24	11%
25 - 34	17%
35 - 44	16%
45 - 54	18%
55 - 64	15%
65 - 74	13%
75 +	11%

White	91%
Asian	5%
Black	2%
Mixed/Multiple Ethnic Origins	1%

North East	4%
North West	11%
Yorkshire and The Humber	8%
East Midlands	7%
West Midlands	9%
East	9%
London	13%
South East	14%
South West	9%
Wales	5%
Scotland	8%
Northern Ireland	3%

For the four Stage 3 surveys the final sample we achieved was:

Male	49%
Female	51%
Other	0%

18 - 24	11%
25 - 34	17%
35 - 44	16%
45 - 54	18%
55 - 64	15%
65 - 74	13%
75 +	11%

White	91%
Asian	5%
Black	2%
Mixed/Multiple Ethnic Origins	2%

North East	4%
North West	13%
Yorkshire and The Humber	8%
East Midlands	7%
West Midlands	11%
East	8%
London	10%
South East	16%
South West	8%
Wales	6%
Scotland	9%
Northern Ireland	2%

About AudienceNet

Founded in 2011, AudienceNet's reputation for innovative, "real-time" research grew steadily from its start-point in the music, entertainment and technology industries, through a wide range of both public and private sector organisations, governments, NGOs and philanthropic organisations. With offices in London, Washington D.C. and Melbourne, AudienceNet conducts research, around the clock, in more than 40 countries, spanning across six continents.

Central to our approach is using connected technologies to ensure that research provides the most value for our clients. We place great emphasis on designing research that is truly representative, triangulated (bringing together qualitative and quantitative insights), and time and cost-effective.

With our work regularly informing high-level decision-making and in the public eye, we take the utmost care in ensuring its validity and reliability. Recent projects have been presented at: The World Economic Forum (Davos); The European Parliament; The United Nations; The US House of Representatives and The US Senate. During the Obama Administration, we presented at the White House in the capacity of research partner to the Office for Science & Technology Policy.

AudienceNet works closely with the IPO, including conducting its 2019 and 2020 Online Copyright Infringement (OCI) research.

Concept House
Cardiff Road
Newport
NP10 8QQ

Tel: 0300 300 2000
Email: information@ipo.gov.uk
Web: www.gov.uk/ipo

Facebook: TheIPO.UK
Twitter: @The_IPO
YouTube: ipogovuk
LinkedIn: uk-ipo

For copies in alternative formats please
contact our Information Centre.

**When you no longer need this booklet,
please recycle it.**

Published: July 2020
SR00069312

INVESTORS
IN PEOPLE

CUSTOMER
SERVICE
EXCELLENCE

CSE