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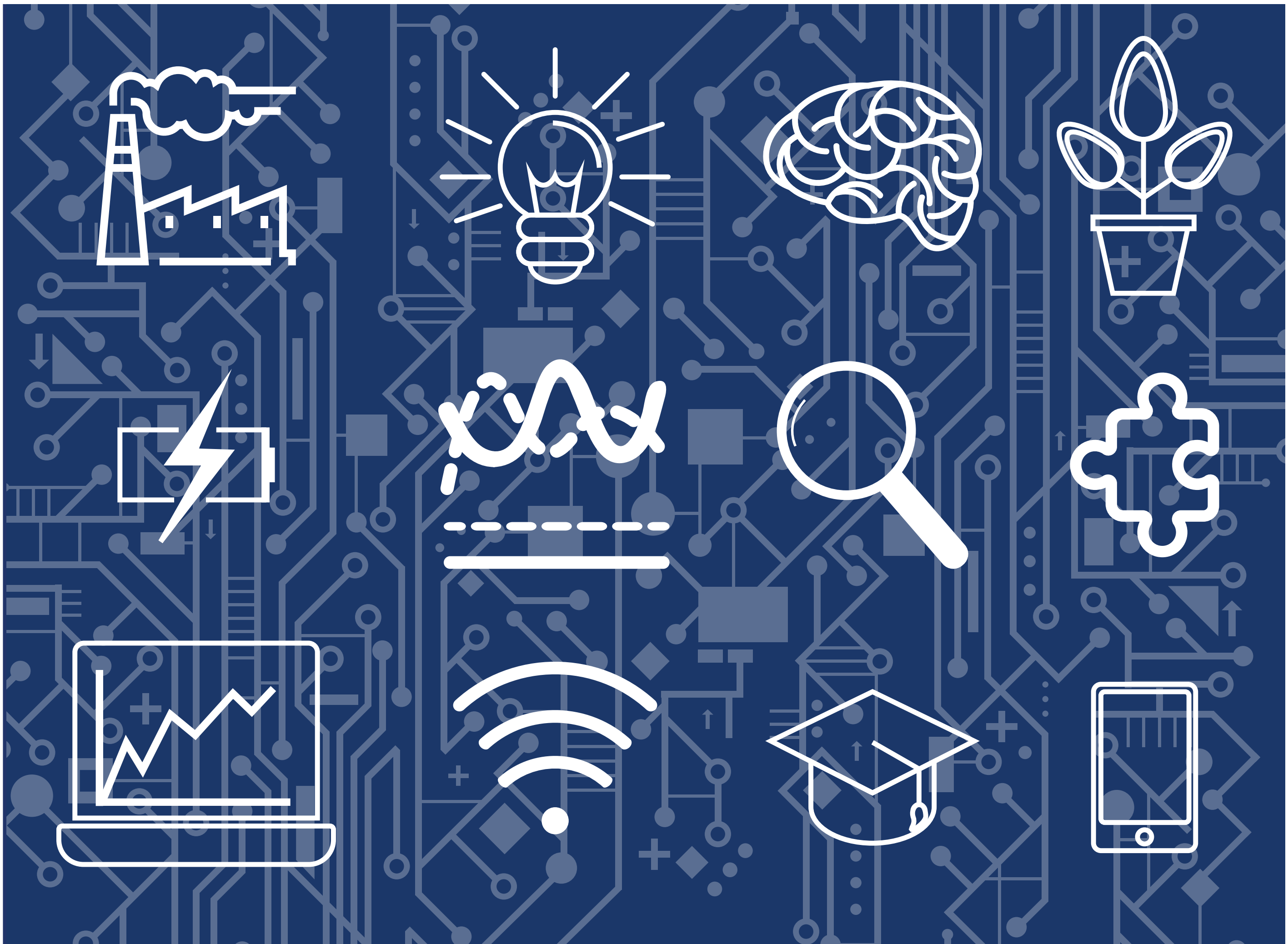
# Counterfeit Goods Research – Wave 2

## November 2021



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**Counterfeit Goods Research – Wave 2**

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.

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Counterfeit Goods Wave 2

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# Executive summary

The overall levels of consumption of counterfeits were similar compared to the previous wave in 2019. Most respondents (73%) continued to indicate that they had never purchased counterfeit goods. There were a multitude of reasons as to why they had not done so with the top ones relating to the perceived low quality of the products as well as moral considerations (e.g. worrying about supporting criminal activities, use of low-cost labour/poor working conditions).

Over a quarter (27%) indicated that they had ever knowingly bought counterfeit goods, with 15% saying they currently do so on an often, sometimes, or occasional basis (2% lower than in the previous wave). Cost continued to be key in why people purchased counterfeits with the cheaper price and wanting to spend less money the top two reasons.

Younger respondents continued to be those most likely to knowingly make counterfeit purchases and therefore was highest among those aged 18-24 (30%) and 25-34 (26%). It fell to 18% for those aged 35-44 and was between 7-12% for all older age groups.

Consumers in the Clothing, footwear and accessories and Sports categories remained those most likely to have made counterfeit purchases, with 14% and 12% having done so respectively. There were some specific shifts compared to last year in terms of the categories that were purchased. 9% of Toy consumers indicated they had made a counterfeit purchase this year (an increase of 4% compared to 2019) while for Sports there was a 3% increase.

There are some indications that, since the previous wave, there were shifts in terms of where respondents are purchasing their counterfeit goods. This could potentially be linked to changes in shopping behaviour due to Covid-19. While in most categories in the previous wave respondents indicated that they were more likely to use physical sources, this has now switched to online sources being more prevalent. Sports footwear, for example, had a 25% decrease in those making purchases in person and an 18% increase in those making them online.

# Section 1

## Methodology

### Research aims

While considerable evidence exists on the topic, to enable the IPO to effectively achieve its aims, the organisation 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.

In 2019 a **benchmark** study was established, with this second wave now allowing us to track and monitor trends over time. The IPO is also 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=5,000 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.**

The first wave of this study was a pilot with learnings from this informing this second wave. Despite making changes there was also care taken so that, across key metrics, we are able to make comparisons between the two waves. The changes made included:

- Detailed questions for some categories were asked at a grouped level (e.g. Alcohol as a whole rather than Wine, Spirits or Beer/Cider individually) to allow for robust sample sizes of those who knowingly and unintentionally purchase counterfeits. This was the case for all categories in Toys and Alcohol.
- Some categories did not include detailed questions due to sample sizes which were too small to allow for robust analysis. This included: Watches; Sports equipment; Beauty/hygiene related electricals; and Electrical devices.
- There were some changes to category names. Many categories previously specified “male or female” in their name which was removed so as to make them more inclusive. The category “Beauty products” was changed to “Cosmetic and toiletry products”.

- There was an additional focus on pricing with three scenarios asked of those who currently purchase counterfeits or would be open to doing so. These were structured in the form of the Van Westendorp pricing model with respondents shown the price of the genuine item and asked about how much they would be willing to pay for the counterfeit version of it.
- Additional questions on attitudes and behaviours towards purchasing counterfeits were asked so as to build on and validate the findings from the previous wave. These formed the basis of a segmentation, the results from which are outlined in this report.
- Throughout the surveys the following updated definition was used when asking about counterfeit (i.e. “fake” or “replica”) products:

By this we do mean:

- Items that look identical to the official product (with or without branding/logo) but are not made by the brand and may be of lower quality.
- E.g. A handbag of identical design to a “Chanel” one but without the logo.

We do not mean:

- Items which use a similar style to the product but are made by another business entirely and might be sold for less.
- E.g. iPhone compatible chargers with another company’s brand present on the product/packaging.

# Categories covered

## Beauty and hygiene

- Cosmetic and toiletry products
- Hygiene products

## Clothing, footwear and accessories

- Clothing excluding sportswear
- Footwear/shoes excluding sports footwear
- Accessories excluding watches
- Watches

## Sports

- Regular sportswear
- Sportswear from clubs/franchises
- Sports footwear (i.e. trainers) from sports or fashion brands
- Sports equipment including for home workout

## Toys

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

## Electricals

- Beauty/hygiene related electricals
- Electrical accessories
- Electrical devices
- DVDs and Blu Rays

## Alcohol

- Bottles of wine/champagne
- Bottles of spirits (e.g. vodka)
- Bottles/cans of beer or cider

## Stage 2 (Qualitative)

The qualitative stage consisted of a week-long discussion in our Online Community platform. Its focus was to understand the reasons behind displayed attitudes and behaviours, especially with the backdrop of the Covid-19 pandemic. The Online Community also sought to test behaviour change messaging and culminated in tasks in which participants co-created the type of communications they believed would be most effective in deterring the purchase of counterfeit goods.

64 participants who completed the survey in the first stage of this project took part in the Online Community discussions, in order to ensure a representative sample per product category. Four categories were explored in depth in the qualitative research, due to high incidences of counterfeiting shown in these categories in the survey. As opposed to the survey in which categories were broken out into subcategories, the qualitative research treated each category as a whole, given the smaller sample size.

Within the sample of 64 participants, we focussed on those aged 35 and under, due to the higher incidences of counterfeit purchasing in these age groups, but some participants aged 36-54 were also included in order to understand any differences in behaviours. All participants were intentional purchasers of counterfeits and had knowingly purchased a counterfeit product in the last year.

The Online Community itself covered the following topics: the importance of each product category to participants; reasons for purchasing products in each category; methods of purchasing counterfeits; whether the Covid-19 pandemic had any impact on attitudes towards big brands; and reactions to statements about the consequences of the counterfeit trade.

# Categories covered

## Beauty and hygiene

- Cosmetic and toiletry products
- Hygiene products

## Clothing, footwear and accessories

- Clothing excluding sportswear
- Footwear/shoes excluding sports footwear
- Accessories excluding watches
- Watches

## Sports

- Regular sportswear
- Sportswear from clubs/franchises
- Sports footwear (i.e. trainers) from sports or fashion brands
- Sports equipment including for home workout (e.g. rackets, bats, football, bikes, exercise machines etc.)

## Electricals

- 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 **13 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=1,000** 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 June and July 2021. There was an approximate one-week gap between the launch of each survey.

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

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

The **final wave** of the survey, once respondents had had time to digest all the information in the preceding three waves, focused on overall messaging preferences in both closed and open-ended questions.

# 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.

## Interpreting the data

- Due to the changes in the way some levels of infringement are captured, direct comparisons between infringements for certain categories should include methodology checks
- 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 or 4% difference.
- Changes in behaviour (e.g. in shopping habits) precipitated due to Covid-19 should be borne in mind when making comparisons between the first and second waves.

# Section 2

## 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: **Societal and economic impact; fraud; and the environment.**

When asked to rank their top three messages, the most popular all related to **societal and economic impact.** The most effective piece of information related to the role of sweatshops with bad working conditions and low pay in the production of counterfeits, which was selected by 39%. This was followed by messaging relating to the presence of undesirable substances (e.g. bacteria, faeces) in counterfeits (36%) and the role of child and slave labour in counterfeits (31%).

**Fraud** was also thought to be effective, coming 4th and 5th out of the messages that were tested. Both messages around fraud were equally effective with having a debit/credit card cloned and online purchases putting you at risk of being exposed to malware at 30% and 29% respectively.

Messaging relating to the **environment** was generally the least effective. The single most effective piece within this theme was the presence of toxic and harmful chemicals (24%), with no other one selected by more than 15%.  As highlighted in the qualitative findings, this could be due to people wanting more tangible information about the impact of counterfeit goods on the environment.

## Recommendations

Younger respondents (i.e. those aged under 34) remain those most likely to be active purchasers of counterfeits and should be the main audience for any behaviour change campaigns.

Consumers in some categories remain more likely to purchase counterfeits (e.g. Clothing, footwear and accessories and Sports). In other categories the proportion of consumers purchasing counterfeits is growing (such as in Toys), therefore it may also be advisable to focus on targeting these consumers.

If the trend towards online purchasing of counterfeit goods continues, it could be advisable to think about ways to help stem this (e.g. reaching them with any potential campaigns during their purchase journey, what further actions platforms could take).

Many of those purchasing counterfeits appear to be open to changing their minds and, importantly, behaviours. Around seven in ten (69%), after having looked at the thirteen pieces of messaging and the potential culminative effect this messaging had, indicated that they would not purchase counterfeits in the future. To aid this, it is important to consider the below as part of any behaviour change efforts:

- Messaging that was most effective touched on the negative role counterfeits can have on vulnerable groups (e.g. working in poor conditions) or on the potential dangers (e.g. that they can contain harmful substances, the risk of fraud).
- People can be sceptical about information they see and so there is a need to provide reputable evidence to back up any claims made about the harmful impact of counterfeits.

## Qualitative Insight – Context of the impact of Covid-19 on the purchasing of counterfeit products

Given the extraordinary circumstances of the past year, the qualitative research sought to delve into how participants had experienced the many months of social restrictions, prior to the research taking place. This provided general context as well as insight into any changes in purchasing habits of both legitimate and counterfeit goods.

Having lived through over a year of restrictions such as social distancing requirements and national lockdowns, many participants reported having spent far more time at home and less time with other people outside of their households than usual. The restrictions also meant that many had experienced changes in their income, depending on whether they had been able to continue working or whether their jobs had been disrupted. According to participants' own evaluation, the effect of the pandemic on their finances was the deciding factor on their purchasing of counterfeits. However, there was not one clear trend in purchasing behaviour from the qualitative research, rather a number of outcomes depending on each individual's personal circumstances.

The findings from the Online Community showed broadly four sets of behaviours as outcomes of the Covid-19 pandemic:

- A few participants said that, due to tighter budgets following redundancy or furloughing, they were buying more counterfeit products during the pandemic as these were cheaper and they could therefore save money.
- On the other hand, restrictions on budgets were the reason some participants reported purchasing fewer counterfeit products this year, seeking to spend less money in total and therefore forfeiting even the cheaper counterfeit products.
- Some participants, however, reported buying more products in general, both authentic and counterfeit, due to having more free time at home, facing a monotonous daily routine and wanting to treat themselves with new products to keep themselves entertained.
- Finally, some participants said that the pandemic had had little to no effect on their purchasing of counterfeit products and that they were still purchasing their favourite types of counterfeit items.

The importance of luxury items during the pandemic tended to differ by category. Clothing, shoes and accessories was an area in which some participants felt that the desire to have expensive looking, replica luxury items had diminished, due to the fact that social lives had all but ground to a halt. Therefore, with fashion being an outward expression of style and personality, the social drivers which led them to purchase counterfeits were no longer relevant. In contrast, when it came to cosmetic, toiletry and hygiene products, where participants largely bought products for themselves, counterfeit products of luxury brands in perfumes and other goods continued to be important to people. The picture was slightly different in sportswear and electrical goods where the focus of products was more functional than aspirational.

The pandemic also impacted the way in which counterfeit products were sourced. The social restrictions in place across multiple months of the past year meant many participants noted a clear shift towards online purchasing of counterfeit products. Some still preferred buying counterfeits in person due to the ability to better evaluate the product before purchasing. Nonetheless, some of these participants also said that there were now many online sites which offered reviews and consumer recommendations which helped them with their purchase decisions and made online overall a more attractive source than it had been before. The most popular online sources for counterfeit products were similar across all categories, namely eBay, AliExpress, Depop, Wish, Vinted, DH Gate, Facebook marketplace and private Instagram pages.

Related to the growing prominence of online purchasing, though not necessarily a consequence of the pandemic, a few participants said they had seen influencers on Instagram or TikTok talking about and promoting replica products. Though not common, these few said that such content had given them inspiration for certain products or even given them ideas of new sources to try. Others, particularly young participants, mentioned that they might find this kind of content influential if they came across it.

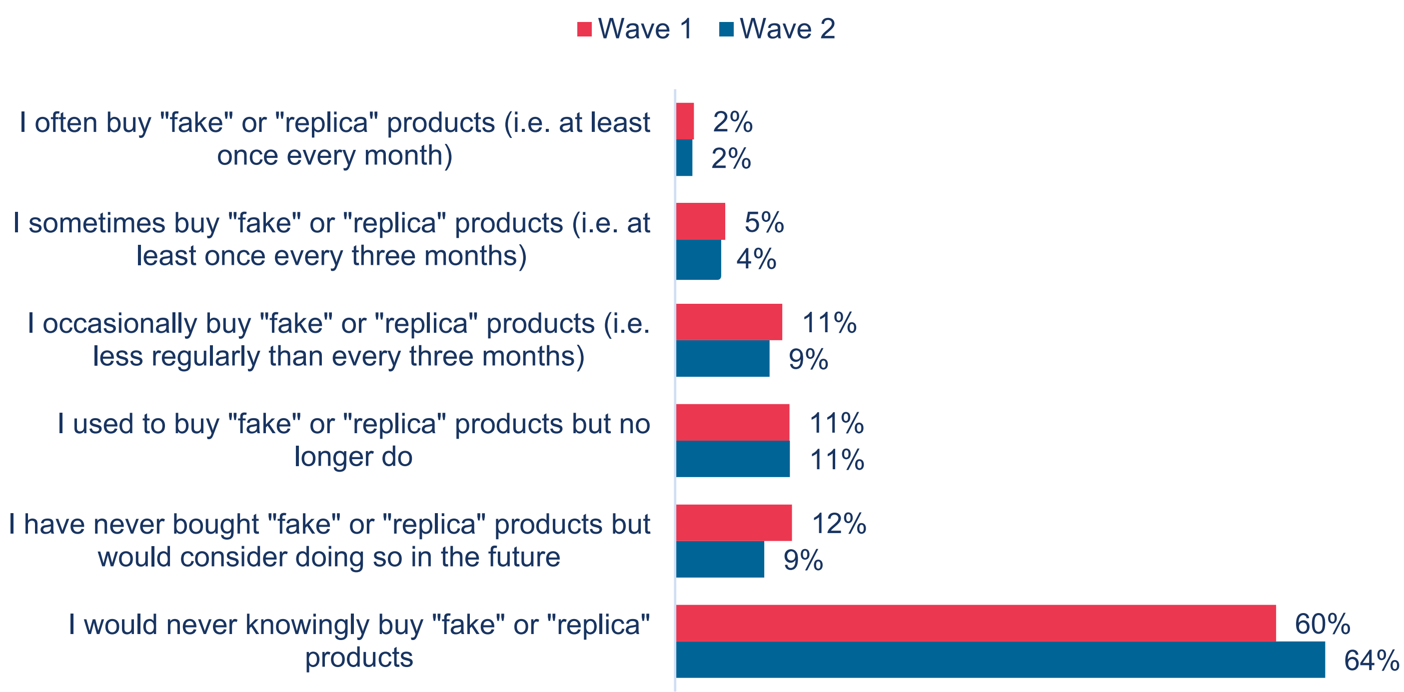
# Section 3

## Overarching trends – Incidence, categories, motivations, and barriers

### Incidence rate of purchasing counterfeits

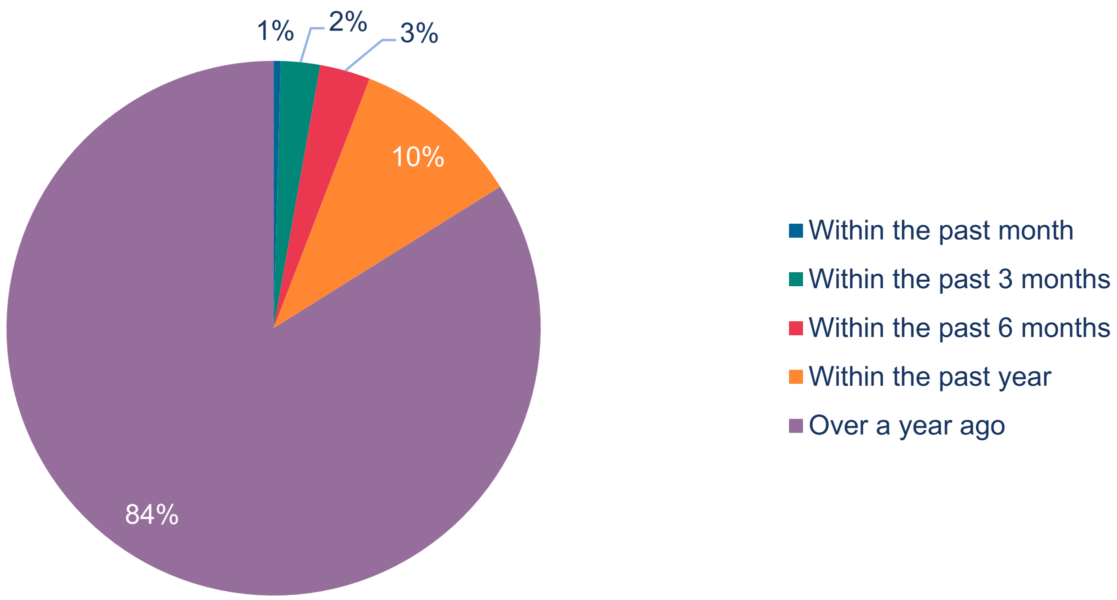
- The proportions of people who currently, used to or have never purchased counterfeit goods are in line with those in wave 1 of the study conducted in 2019.
- A majority (73%) of respondents indicated that they had never purchased counterfeit goods while over one in four (27%) saying they had ever done so.
- 15% currently purchase counterfeit goods on an often, sometimes, or occasional basis.
- 11% used to buy counterfeit goods but no longer do which is unchanged from the previous wave. Of those who stopped, most (84%) did so 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.**



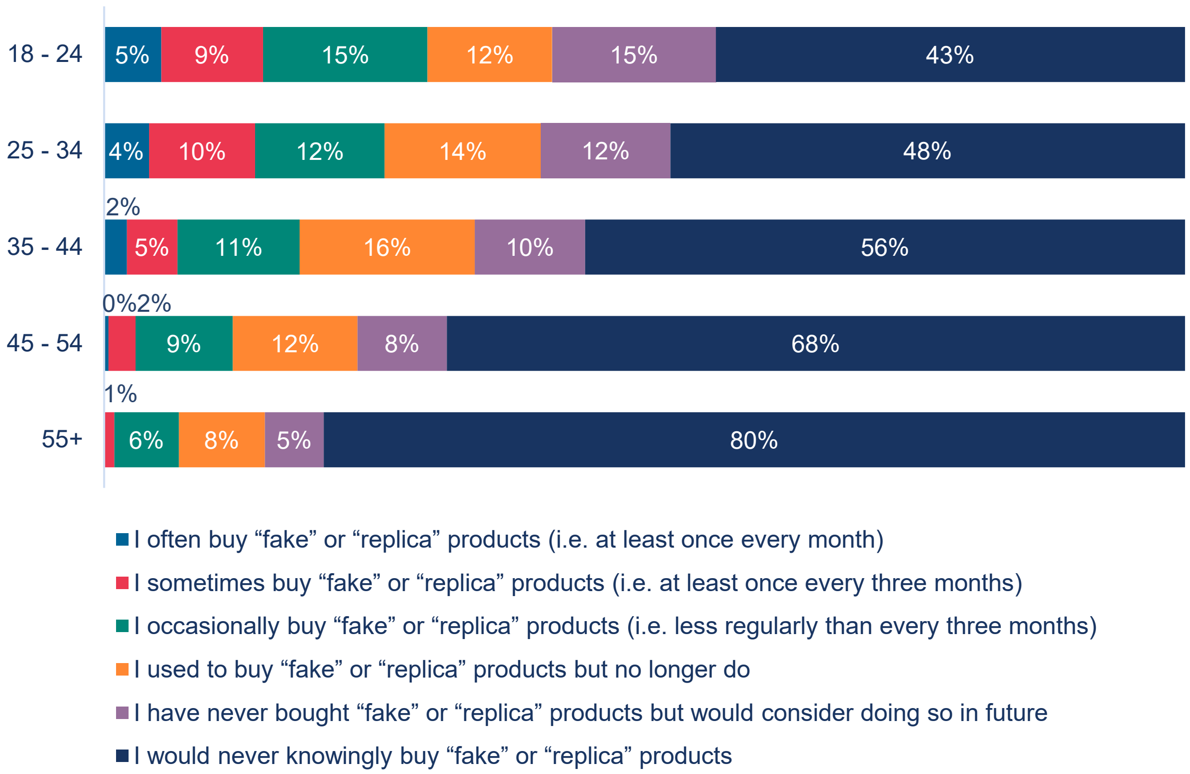

*Base: Total sample (n=5,000)*

**Q. When did you stop purchasing "fake" or "replica" products?**




## Incidence rate of purchasing counterfeits (by age)

- Younger respondents (i.e. those aged 34 or under) were more likely to indicate that they 'currently' purchase counterfeits goods (i.e. on an often, sometimes or occasional basis). This was 30% for those aged 18-24 and 26% for those aged 25-34. It fell to 18% for those aged 35-44 and was between 7-12% for all older age groups.
- There were no differences in terms of the overall levels of counterfeit purchasing by gender.

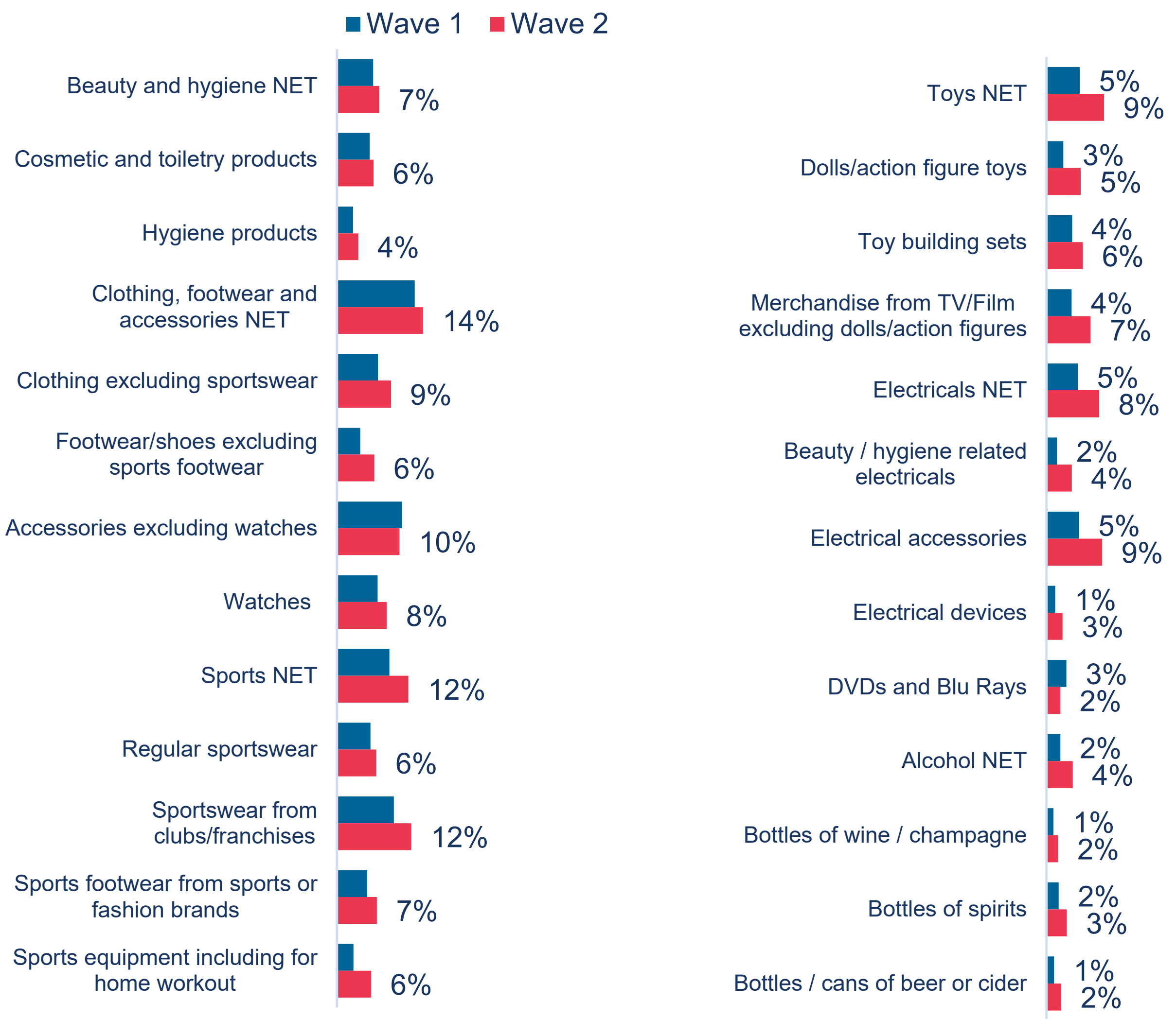



*Base: Total sample (n=5,000)*

## Product categories

- The 27% 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 have made counterfeit purchases of products from the "Clothing, footwear and accessories" and "Sports" categories, with 14% and 12% respectively having done so in the past year. In both instances these were in line the previous wave (i.e. +1% increases).
- This was followed by several categories with similar levels of counterfeit purchasing. This included "Toys" at 9%, "Electricals" at 8% and "Beauty and hygiene" at 7%. Beauty and hygiene was unchanged compared to the previous wave while "Toys" and "Electricals" had 4% and 3% increases respectively.
- "Alcohol" consumers were least likely to have purchased counterfeit products although, at 4%, this was 2% higher than it was in the previous wave.

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

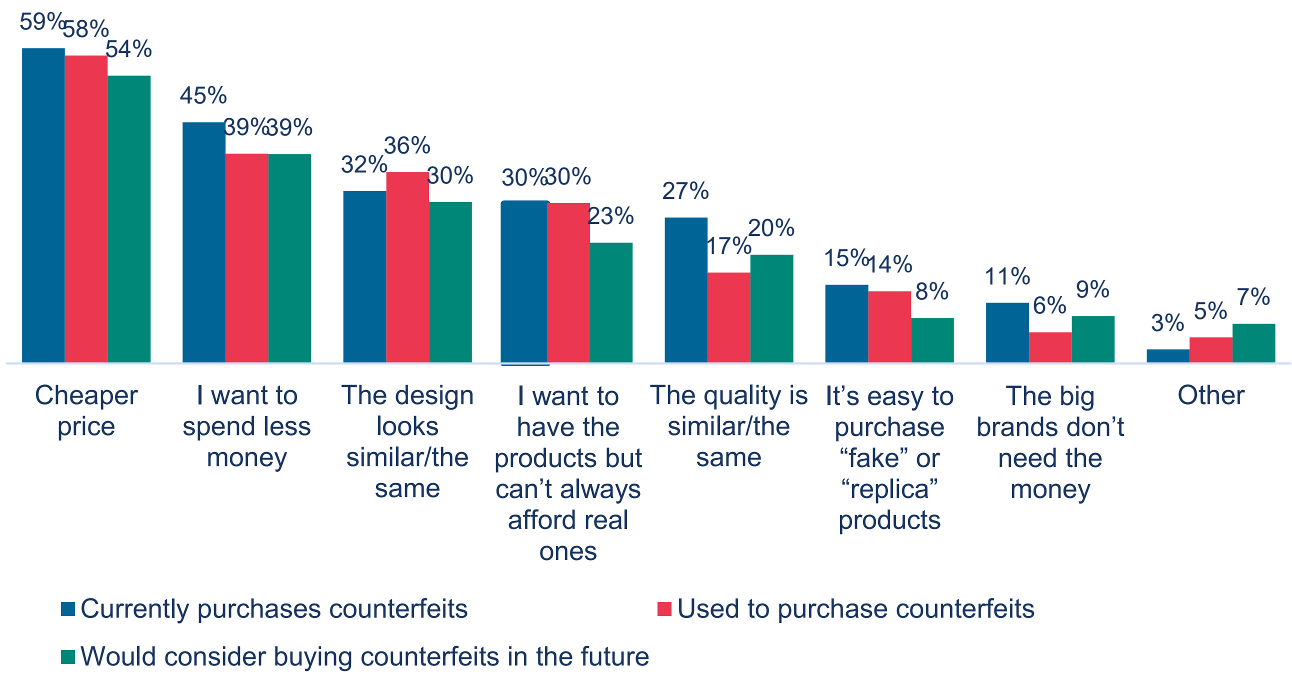


*Base for Wave 2: Counterfeit purchasers as a percentage of consumers in each category (Beauty and hygiene n=321, Cosmetic and toiletry products n=214, Hygiene products n=162, Clothing, footwear and accessories n=599, Clothing excluding sportswear n=332, Footwear/shoes excluding sports footwear n=176, Accessories excluding watches n=199, Watches n=95, Sports n=329, Regular sportswear n=131, Sportswear from clubs/franchises n=82, Sports footwear from sports or fashion brands n=128, Sports equipment including for home workout n=69, Toys n=181, Dolls/action figure toys n=54, Toy building sets n=73, Merchandise from TV/Film excluding dolls/action figures n=83, Electricals n=314, Beauty / hygiene related electricals n=71, Electrical accessories n=215, Electrical devices n=70, DVDs and Blu Rays n=24, Alcohol n=177, Bottles of wine / champagne n=58, Bottles of spirits n=101, Bottles / cans of beer or cider n=83)*

## Rationalisations 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. Their answers have been split out depending on whether they currently, used to or would be open to buying counterfeit goods.
- The top two factors selected both highlight the central role that cost plays in why people purchase counterfeit goods. Cheaper price was a key motivation for all respondent groups and was the only factor selected by more than half. It was followed by those who were motivated by wanting to spend less money.
- These were followed by factors relating to the design and quality of the counterfeits as well as wanting to own the genuine product but not being able to afford them. Those who currently purchase counterfeits were notably more likely to say that they found the quality to be similar/the same compared to those who used to or would consider purchasing them in the future.
- Respondents were least likely to say that they purchase them because it is easy to do so or because the big brands don't need the money.
- Most answer options in this question were included in the previous wave. Comparisons indicate a similar hierarchy of results with price the main motivating factor.

## Q. What are/were/would be your main reasons for purchasing "fake" or "replica" products? Please select as many as you would like.

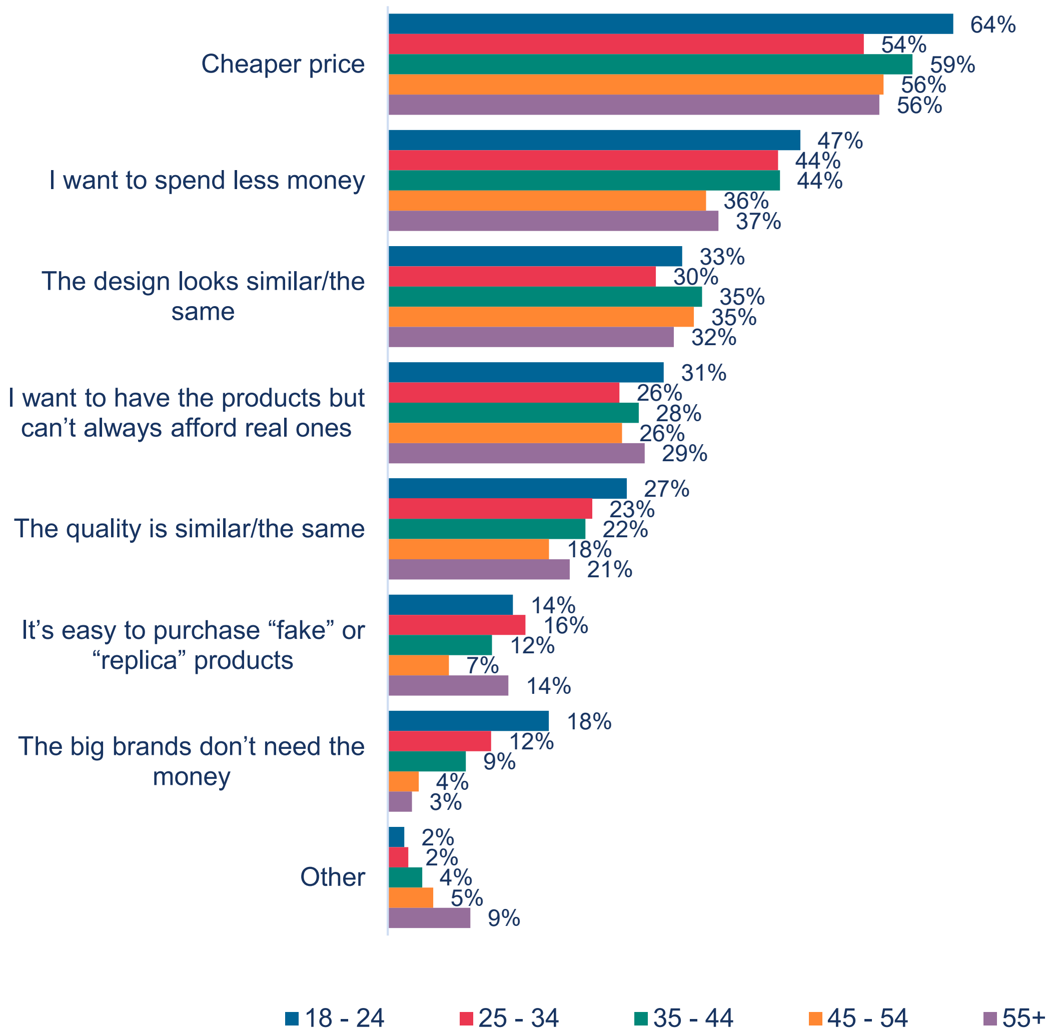



*Base: Currently purchase counterfeits (n=737), Used to purchase counterfeits (n=551), Would consider buying counterfeits in the future (n=448)*

## Rationalisations FOR purchasing counterfeits (by age)

- There were some key differences by age in terms of the reasons given for why people either currently, used to or would be open to buying counterfeit goods:
  - Those aged 18-24 were more likely to be motivated by the cheaper price of counterfeits than other age groups.
  - Those aged between 18-44 were more likely to say they were motivated by a desire to spend less money compared to those aged 55+.
  - While still lower compared to other factors, younger age groups were more likely to say that they purchased counterfeit products because the “big brands don’t need the money”. This was highest for those aged 18-24 and decreased among each older age group.

### Q. What are/were/would be your main reasons for purchasing “fake” or “replica” products? Please select as many as you would like.




*Base: Open to purchasing counterfeits products (n=1736)*

## Rationalisations for NOT purchasing counterfeits

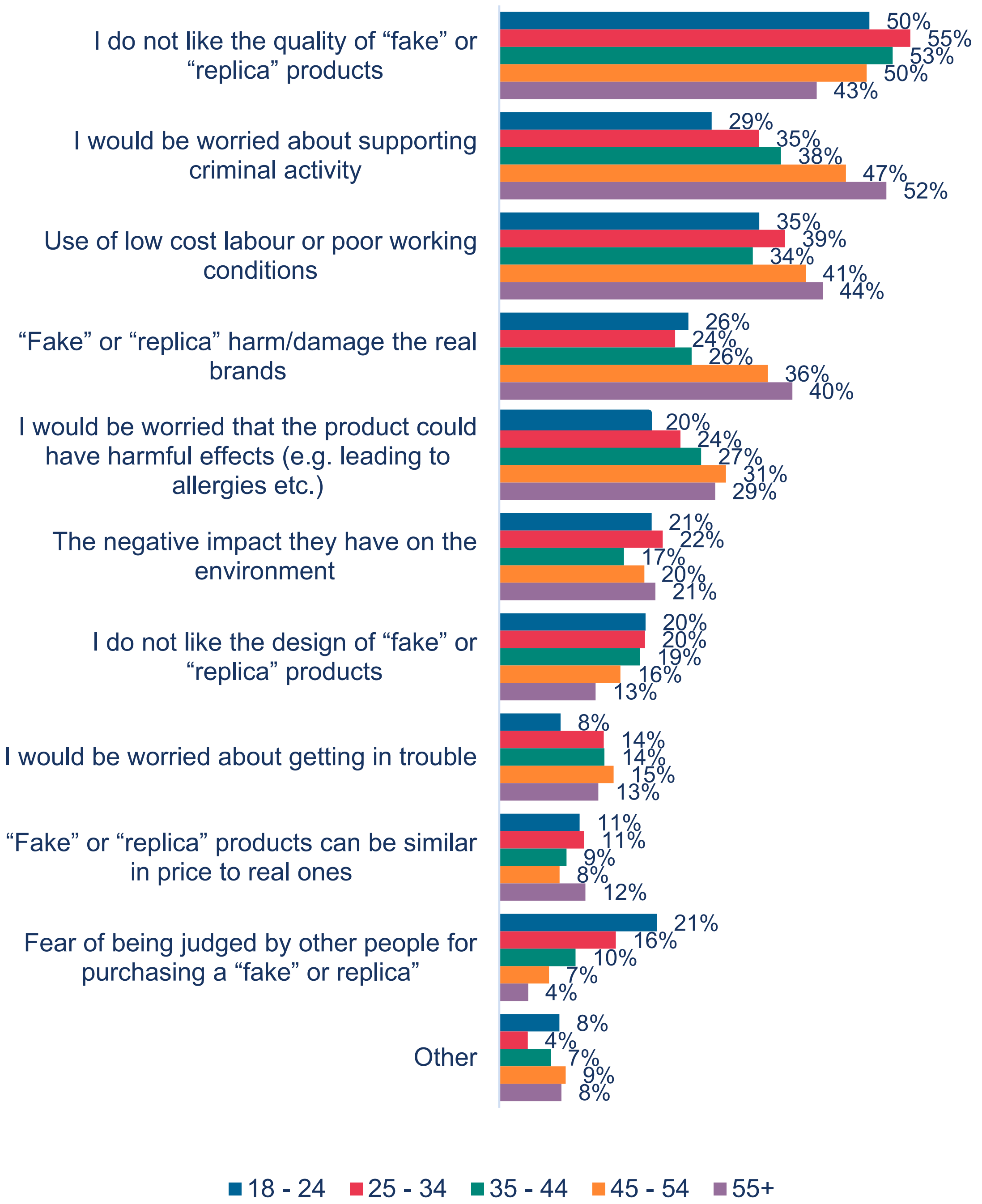
- Those who did not 'currently' (i.e. often, sometimes or occasionally) purchase counterfeit goods were asked why they didn't. They were grouped into one of the following: would never buy them; used to buy them but wouldn't anymore; and those who would consider buying them in the future.
- No single reason was dominant in any of the groups. The top three reasons across all groups were related to not liking the quality of the products as well more moral considerations (e.g. worrying about supporting criminal activities, use of low cost labour/poor working conditions).
- One recurring theme was that those who had never purchased counterfeit goods were more likely to cite some reasons compared to those who used to and those who hadn't but would consider doing so in the future. This difference was highest in both thinking that counterfeits harm/damage the real brand and being worried about supporting criminal activity.

### Q. What are/were your main reasons for not purchasing "fake" or "replica" products? Please select as many as you would like.


*Base: Would never buy counterfeits (n=3,257), Used to purchase counterfeits (n=551), Would consider buying counterfeits in the future (n=448)*

### Rationalisations for NOT purchasing counterfeits (by age)

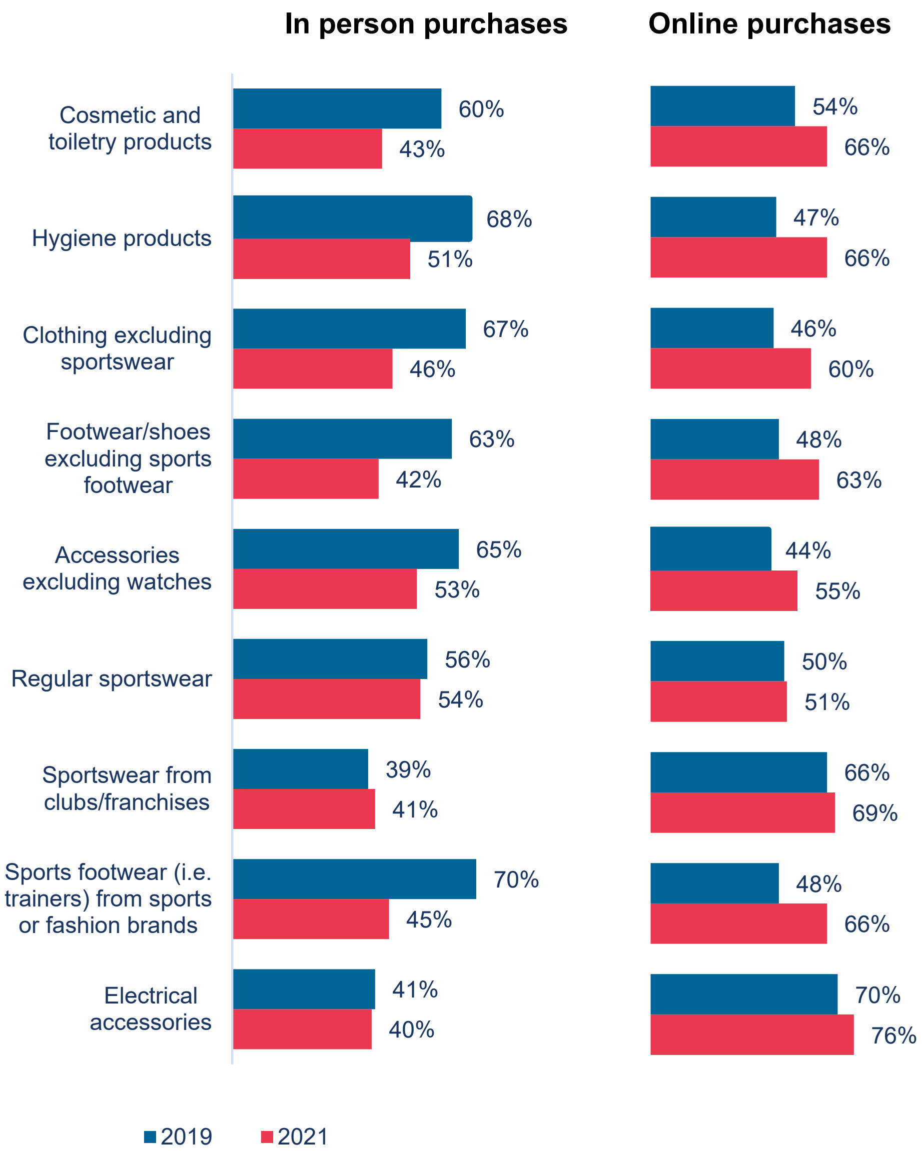
- There were some key differences by age in terms of the reasons given for why people don't currently purchase counterfeits.
- There were several reasons which resonated more with those aged 45+ compared to younger age groups. This included being worried about supporting criminal activity and harming/damaging the real brand.
- Those aged 18-24 were more likely to be concerned about being judged by other people for purchasing counterfeits, which was lower among each subsequent age group.




*Base: Doesn't currently purchase counterfeit products (n=4256)*

## Methods of making counterfeit purchases

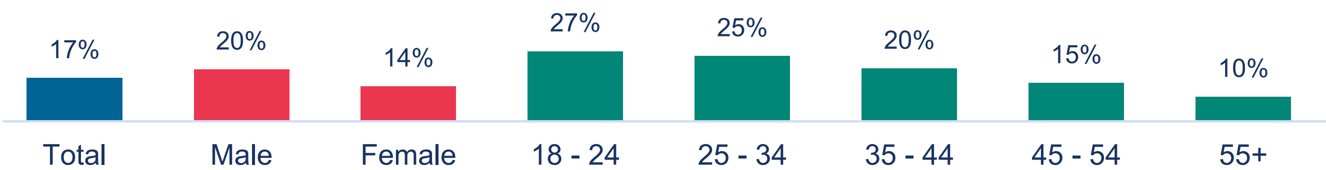
- In each category in which respondents had made a counterfeit purchase, they were asked where they had made that purchase. Where possible, we can make comparisons to the previous wave of the study to understand if there has been a shift in shopping habits. Answer options have been grouped for in person purchases (e.g. in store, local markets, markets abroad) and online ones (e.g. online from a global e-commerce site, online from a smaller retailer, online from a seller abroad).
- It is possible to observe a trend evident in most categories away from purchasing counterfeit goods in person to purchasing them online. In most cases, online purchases went from being used by a minority of respondents to a majority. This was largest for Sports footwear where 70% had made a physical purchase in the first wave but had fallen to 45% in this wave. The number making online purchases also increased from 48% to 66%.
- Categories where there was less of a shift in purchasing habits (e.g. Sportwear from clubs/franchises, Electrical accessories) tended to be those where online purchasing was already used by a majority.



## Unintentional counterfeit purchasing

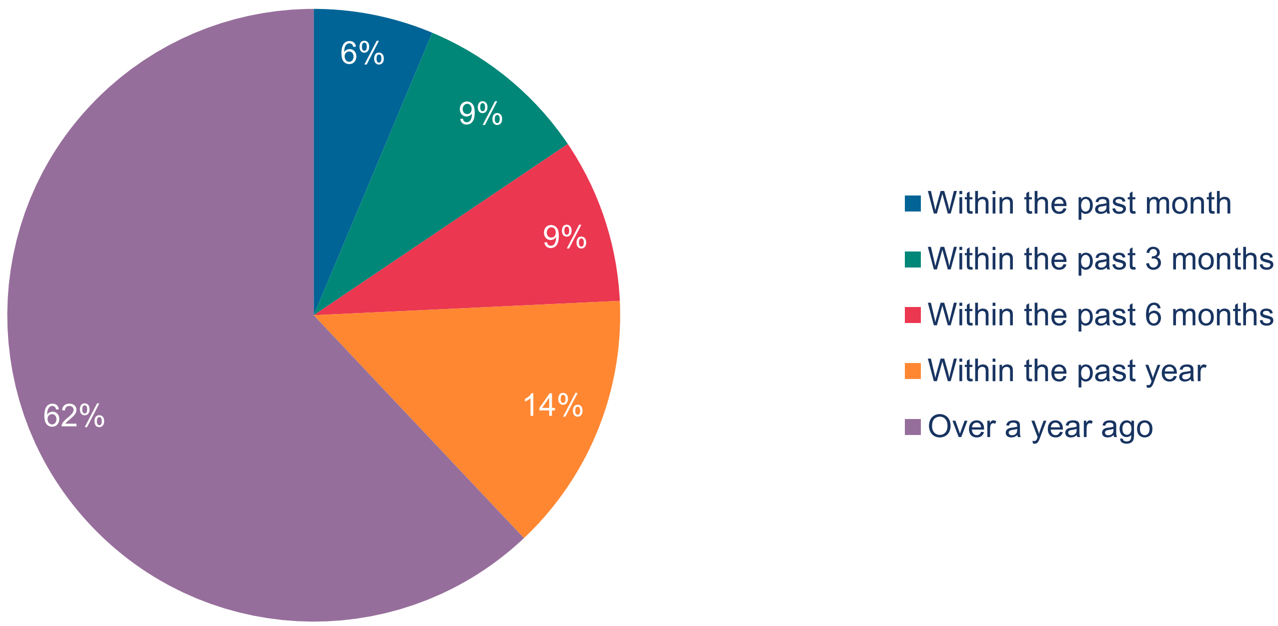
- Respondents were asked whether they had ever 'unintentionally' purchased a counterfeit good. Overall, 17% had done so with most (62%) of this group having done so over a year ago. This is broadly in line with the first wave of the study where 16% had made an unintentional purchase.
- At 20%, male respondents were 6% more likely to have done so than female respondents.
- Younger respondents were also more likely to have done so. Between 25-27% of those aged 18-34 had done so, which fell to 20% in those aged 35-44, 15% in those aged 45-54 and 10% in the 55+.

### Have you ever unintentionally purchased "fake" or "replica" products? This would mean that you thought the product was 'genuine' when you purchased it but later on discovered it was a "fake" or "replica"?




*Base: Total sample (n=5,000)*

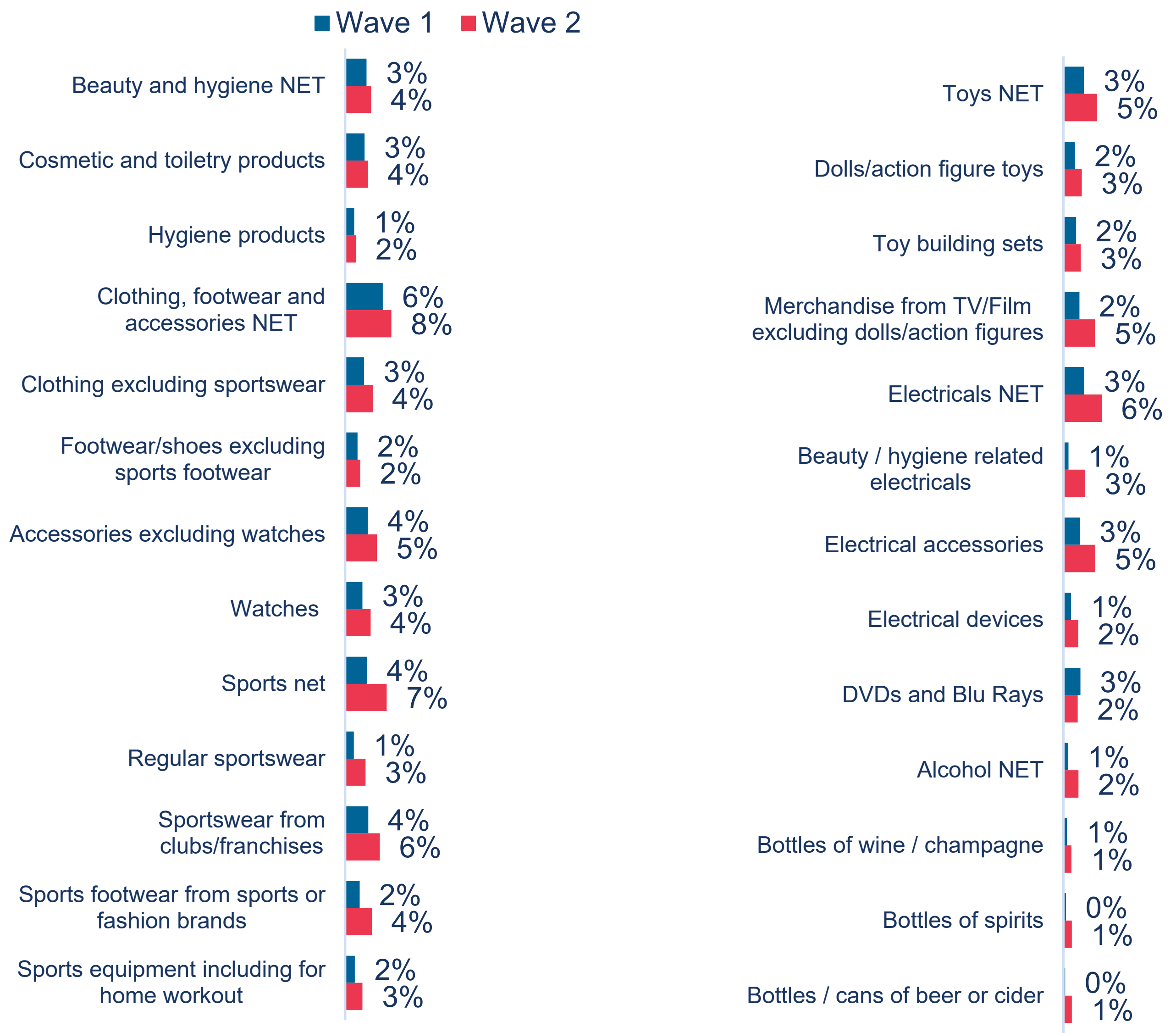
### When did you last unintentionally purchase a fake or replica product?




*Base: Unintentionally purchased a counterfeit product (n=814)*

- The 17% 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.
- They were most like to have unintentionally made purchases in Clothing, footwear and accessories (8%) followed by Sports (7%), Electricals (6%), Toys (5%) and Beauty and Hygiene (4%). They were least likely to have done so with "Alcohol" products (2%).
- Compared to the previous wave there seems to have potentially been a slight increase in unintentional purchasing in some categories. This included a 3% increase in "Sports" and "Electricals" and a 2% increase in both "Clothing, footwear and accessories" and "Toys". All other categories remained relatively stable.

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




*Base: Unintentionally purchased a counterfeit product (n=814)*

- Respondents who had made an unintentional purchase were asked how they felt about it.
- Many respondents felt angry after their purchase, with this most likely to be directed at themselves (41%) or the person/company who had sold them the product (38%).
- Respondents were less likely to focus their anger on the authorities (13%) or the brand/company whose product they thought they were buying (13%).
- Around one in five (19%) were indifferent about it.
- Respondents were generally not happy with their purchase with only a small number (13%) saying they were pleasantly surprised with the quality of the product.

**Q. How did you feel after unintentionally purchasing “fake” or “replica” product(s)? Please select all that apply.**


*Base: Unintentionally purchased a counterfeit product (n=814)*

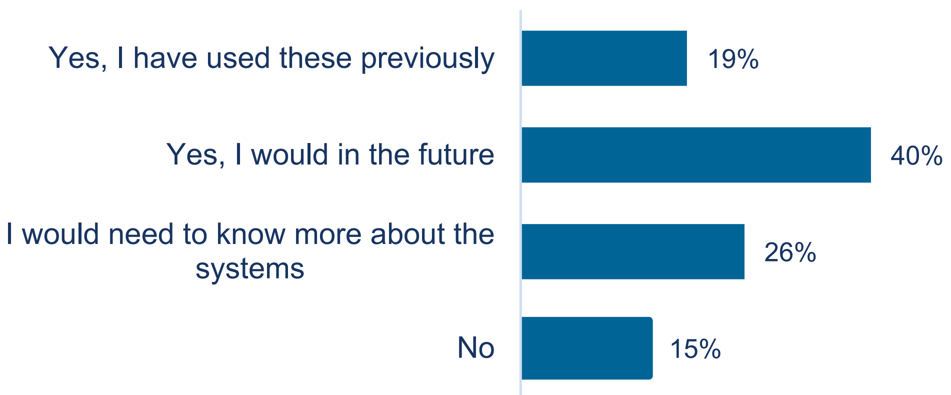
- Respondents who had unintentionally made a purchase across any content category in the past year and had taken action following this (e.g. had reported it to someone) were asked why they did this.
- The most common driver was to get a refund (37%). This was followed by those who weren’t happy with the quality of the product (24%) or wanted to stop the seller from operating (19%). Relatively few (8%) were reporting the seller because of potential links to other criminal activity.

**After unintentionally purchasing a "fake" or "replica" product you said you took an action (e.g. took it back for a refund, made a complaint etc.). What was your main reason for reporting the seller of the fake product?**


*Base: Took an action after unintentionally purchasing a counterfeit product (n=516)*

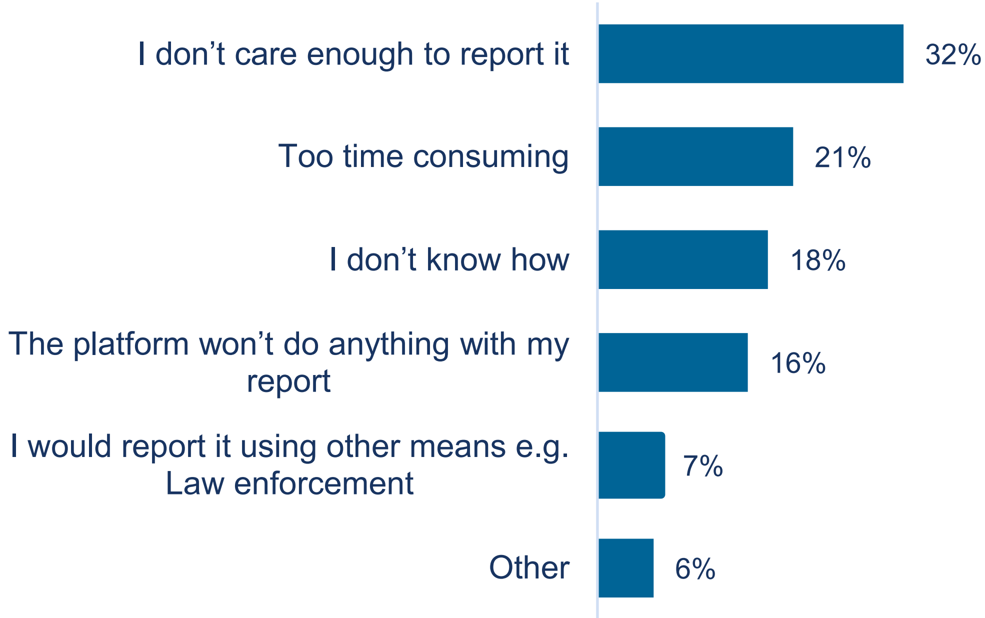
- Those who had unintentionally made a counterfeit purchase within the past year were asked specifically if they had ever used a reporting system.
- Around one in five (19%) indicated that they had done so, although over double this (40%) indicated that they had not used one but would be open to doing so in the future. Around one in four (26%) said they would need to know more about it with relatively few (15%) saying outright that they wouldn't use one.

**Q. Most online platforms have reporting systems in relation to the sale of "fake" or "replica" products, would you consider using these?**




*Base: Wouldn't consider using an online platform to report a counterfeit product (n=111)*

**Q. What is the main reason you would not consider using the online platform's reporting system?**



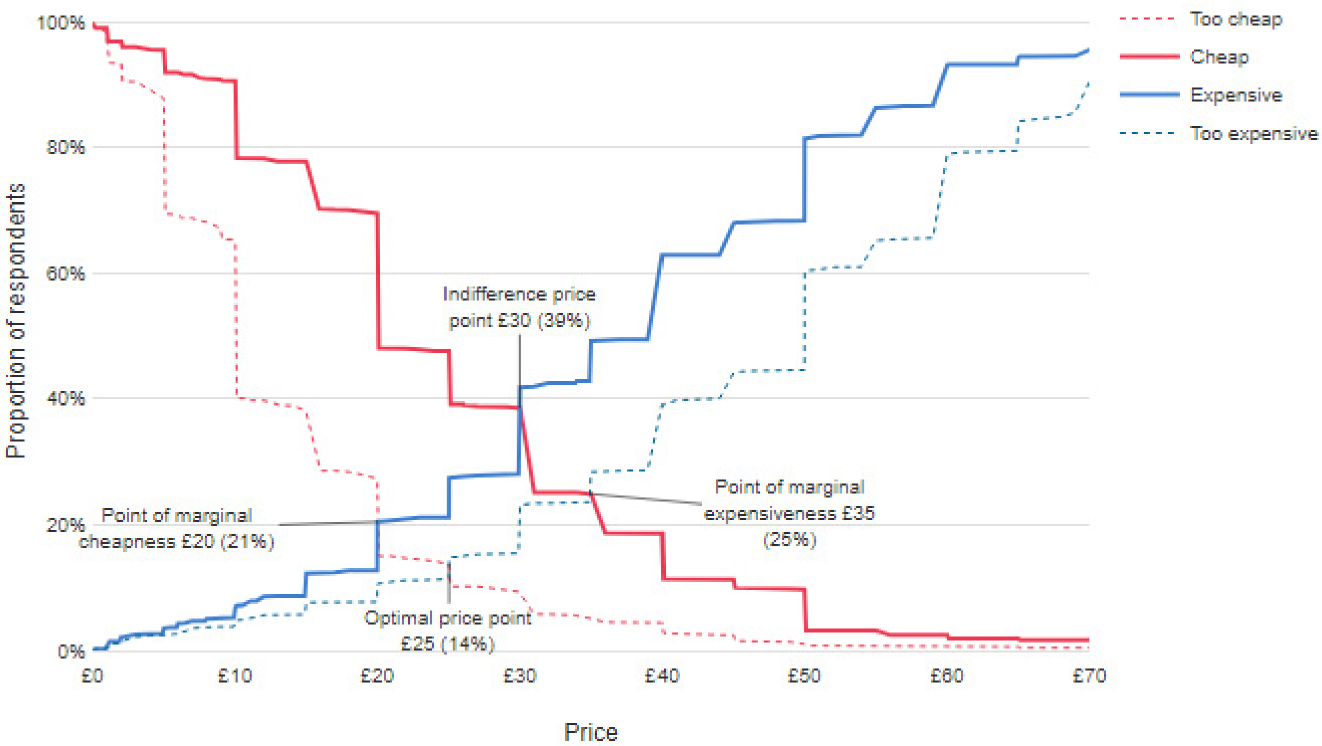

*Base: Wouldn't consider using an online platform to report a counterfeit product (n=111)*

## An in-depth look at price

Respondents who were open to purchasing counterfeits (i.e. they either currently did so or were considering doing so in the future) were asked about three different pricing scenarios for counterfeit products using the Van Westendorp pricing model. This is where, for each scenario, they were asked at what point the product would be too expensive, expensive, cheap or too cheap. They were told the price of the genuine product in each of these scenarios.

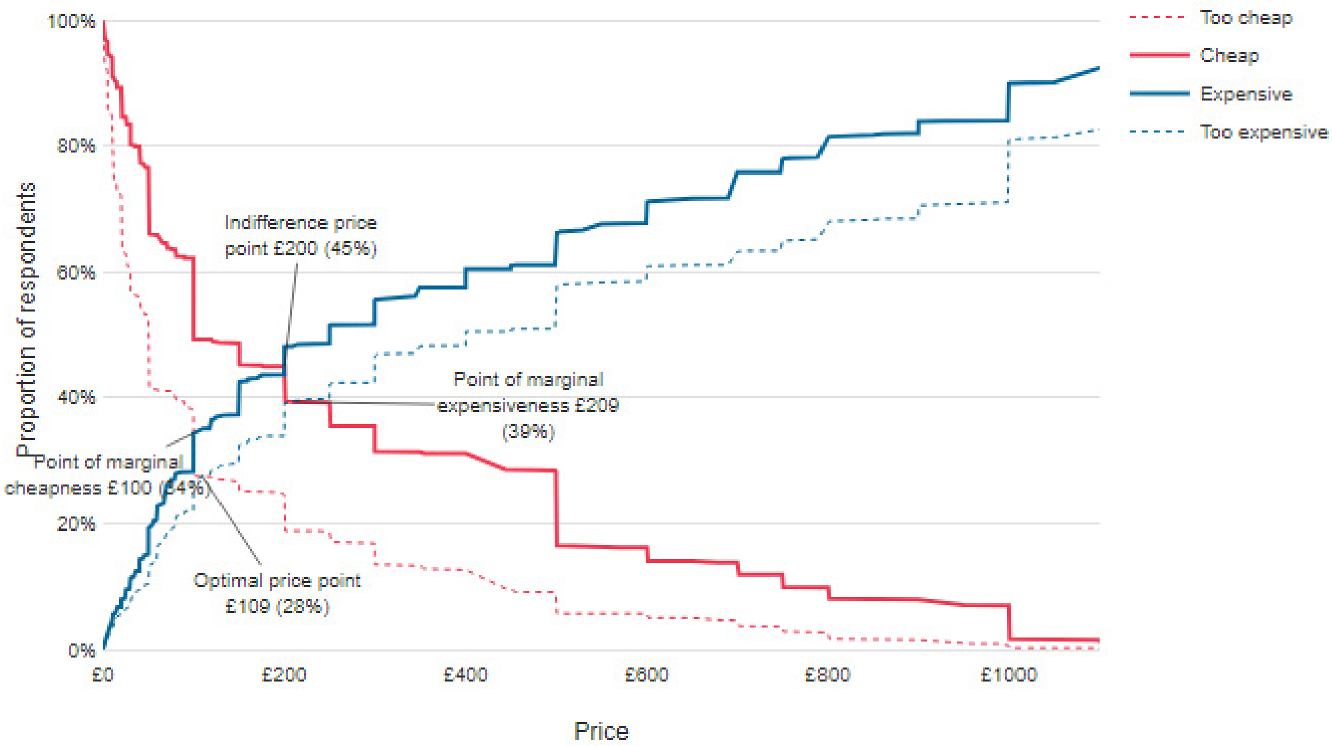
**Scenario 1 – A "fake" or "replica" bottle of perfume of a brand which you or someone you know likes. The 'real' item would usually retail at £70.**

- For a counterfeit bottle of perfume worth £70 respondents were most likely to be willing to pay £25 (i.e. 36% of the value of the genuine item).
- The price point of marginal cheapness (i.e. when people would start to doubt the quality of the product) was £20 while the point of expensiveness (i.e. when the cost is becoming a major concern) was £35. The point of indifference (i.e. when they start to feel the price is starting to become expensive) was £30.



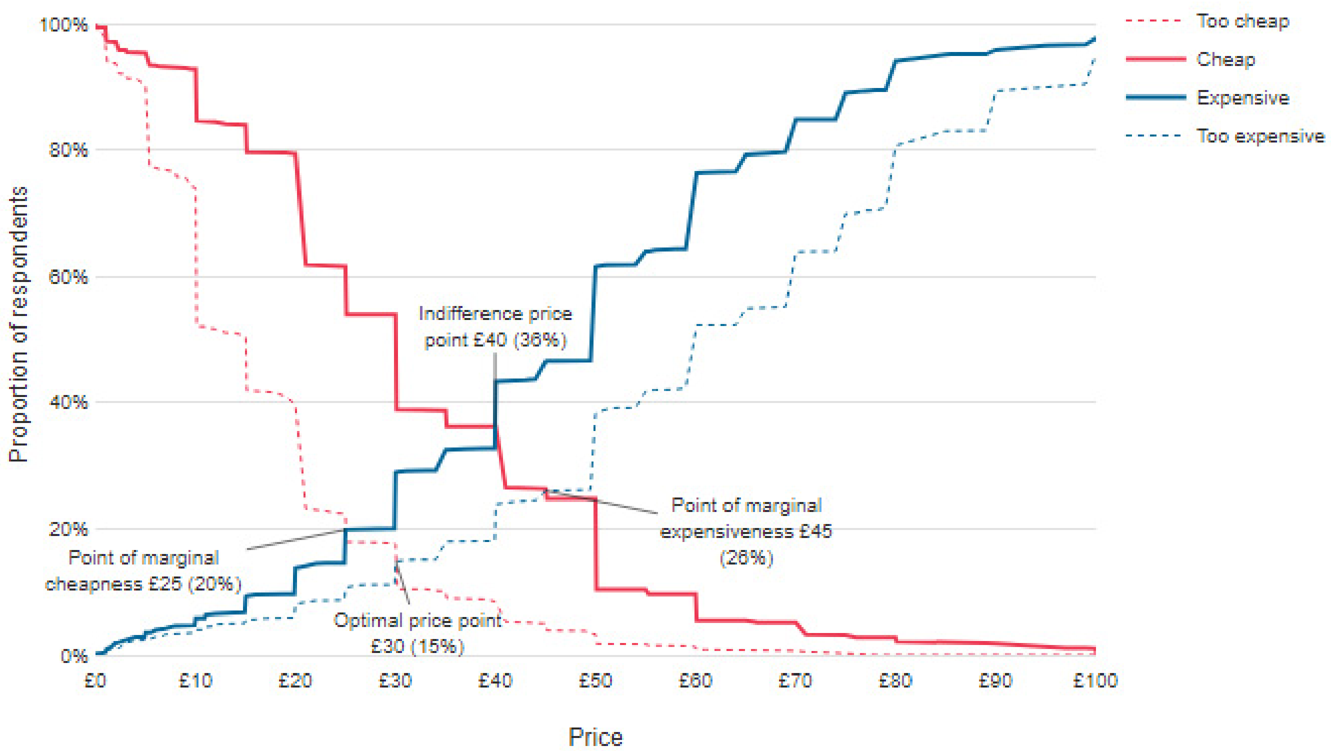
**Scenario 2 – A “fake” or “replica” handbag of a brand that you or someone you know likes. The ‘real’ item would usually retail at £1,500.**

- For a counterfeit handbag worth £1,500 respondents were most likely to be willing to pay £109 (i.e. 7% of the value of the genuine item).
- The price point of marginal cheapness (i.e. when people would start to doubt the quality of the product) was £100, which was only £9 below the optimal price point. The point of expensiveness (i.e. when the cost is becoming a major concern) was £209 while the point of indifference (i.e. when they start to feel the price is starting to become expensive) was £200.
- Interestingly, there is a gradual increase in those who find the counterfeit version both ‘cheap’ and ‘expensive’ indicating that there are a larger number of people than in the other two scenarios who are willing to pay higher prices.



**Scenario 3 – A "fake" kit for your favourite football team that you or someone you know supports. The 'real' item would usually retail at £100.**

- For a counterfeit replica football kit worth £100 respondents were most likely to be willing to pay £30 (i.e. 30% of the value of the genuine item).
- The price point of marginal cheapness (i.e. when people would start to doubt the quality of the product) was £25 while the point of expensiveness (i.e. when the cost is becoming a major concern) was £45. The point of indifference (i.e. when they start to feel the price is starting to become expensive) was £39.
- It is interesting to note the similarities to the first scenario (i.e. the counterfeit perfume) in terms of the amount that people are prepared to pay for what are very different kinds of products.



# Category Insights

## Intentional counterfeit purchasing

# Beauty & Hygiene

**97%**

**of the total sample had purchased a beauty and hygiene product in the last year**

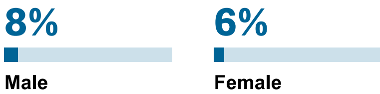
**7%**

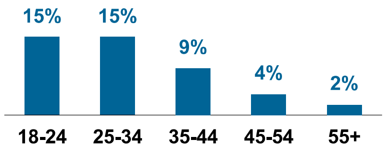
of those who purchased a beauty and hygiene product in the last year **purchased counterfeit beauty and hygiene products**

**6%** of cosmetic and toiletry consumers purchased counterfeits

**4%** of hygiene product consumers purchased counterfeits

**Of consumers in this category, these purchased counterfeits:**

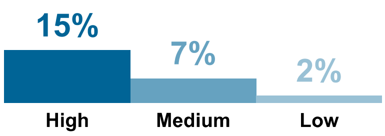



ABC1 6%

C2DE 8%

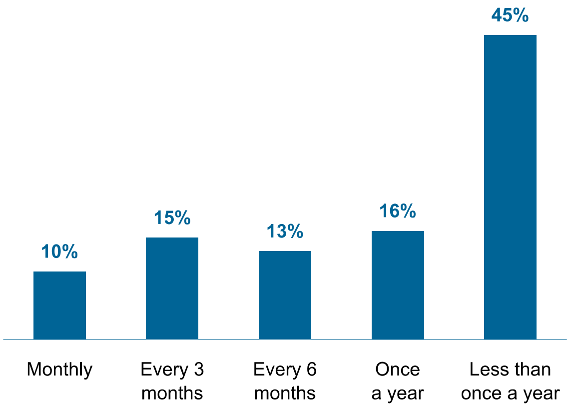
**Passion level for category:**



# Cosmetics and Toiletry Products

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

### Frequency of purchase:




### Spent an average of

**£117**

per year on counterfeit cosmetic and toiletry products

### Recipients of purchase:

Myself **80%**

Partner **21%**

### Reason for purchase:

Cheaper price **48%**

I want to spend less money **33%**

The quality is similar/the same **29%**

### Brands purchased:

Hugo Boss **19%**

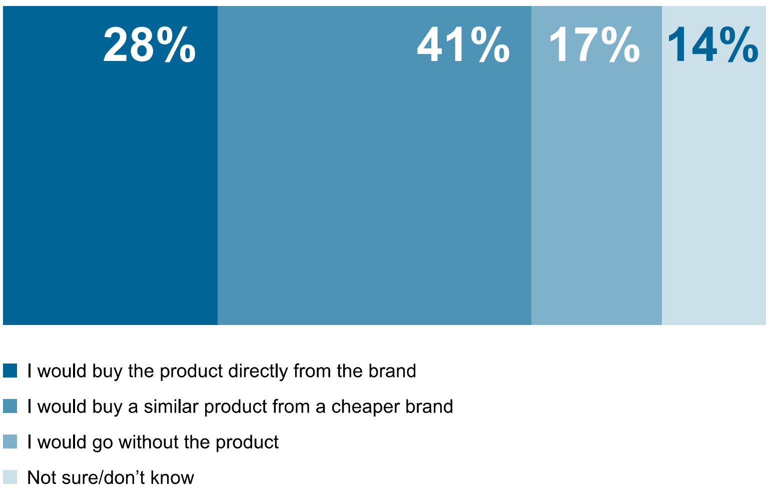
Calvin Klein **18%**

Chanel **15%**

### Sources of purchase:

| | |
|---|---|
| Online via a global e-commerce site (e.g. Amazon, eBay, etc.) | 41% |
| Online via a social media site (e.g. Facebook, Instagram) | 20% |
| In-store not from the brand – via a smaller retailer | 19% |

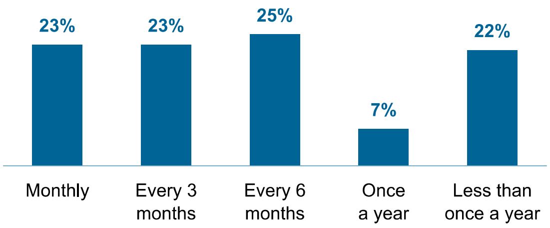
### If they weren't available, they would:



# Hygiene Products

The 4% 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.

### Frequency of purchase:




### Spent an average of

**£185**

per year on counterfeit hygiene products

### Recipients of purchase:

| | |
|---|---|
| Myself | 72% |
| Family | 32% |

### Reason for purchase:

| | |
|---|---|
| Cheaper price | 43% |
| I want to spend less money | 33% |
| The quality is similar/the same | 25% |

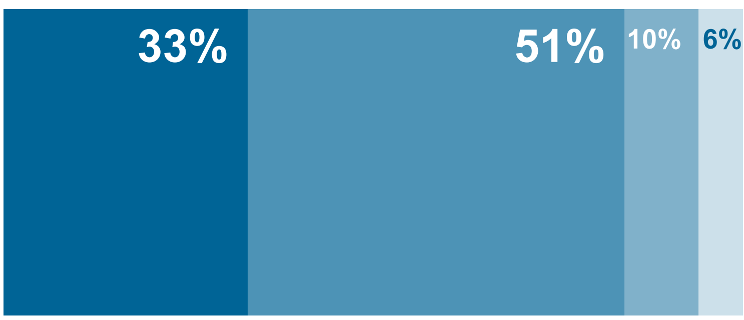
### Brands purchased:

| | |
|---|---|
| Dove | 25% |
| Carex | 21% |
| Radox | 20% |

### Sources of purchase:

| | |
|---|---|
| Online via a global e-commerce site (e.g. Amazon, eBay, etc.) | 40% |
| In-store not from the brand – via a smaller retailer | 36% |
| Online via a social media site (e.g. Facebook, Instagram) | 25% |

### If they weren't available, they would:




- I would buy the product directly from the brand
- I would buy a similar product from a cheaper brand
- I would go without the product
- Not sure/don't know

## Qualitative Insight – Cosmetics, toiletry and hygiene

### The importance of cosmetic, toiletry and hygiene products for consumers

Participants felt an attachment to cosmetics, toiletry and hygiene products and enjoyed picking out certain products that they particularly liked. Many participants said that they bought cosmetic, toiletry and hygiene products as much for themselves as they did for others; this was particularly the case for aftershaves and perfumes. Wearing fragrances or using make-up and hair products they liked was something which made participants feel good and something they did as part of their overall wellbeing routine.

### Most commonly purchased counterfeit cosmetic, toiletry and hygiene products

The most common counterfeit purchases were perfumes, as these were seen as the safest products in comparison to make up or hair care. Whilst some did occasionally try out counterfeit make up or hair products, many were worried about the potential risk of putting these directly on their skin and therefore avoided them.

### Reasons for purchasing counterfeit cosmetic, toiletry and hygiene products

Participants saw price as the key factor in their purchasing of counterfeit cosmetic, toiletry and hygiene products. Participants felt that the products produced by luxury brands in this category were overpriced but they still wanted the chance to have similar types of products.

For some, there was a sense of satisfaction in being able to have a product which looked just like the branding of the original but at a fraction of the price. Others knew of particular fragrances or perfumes which they loved but would never want or be able to pay the original price for. They felt that counterfeit fragrances gave them access to the scents they would otherwise not be able to wear.

Participants were asked specifically why it was important to them to have a replica cosmetic, toiletry or hygiene product with luxury branding given that no one tended to see these products except themselves. Besides enjoying having an item which looked like an expensive bottle of perfume for themselves, many said that they simply loved the smell of certain fragrances from luxury brands. Therefore, they wanted to buy products which most closely resembled the fragrances they loved and felt the counterfeit versions were able to copy the scents of the originals well.

### The impact of Covid-19 on purchasing of cosmetic, toiletry and hygiene products

Within the sample of the Online Community, many participants said that the pandemic had had little impact on their purchasing of counterfeit products in this category. These participants emphasised that many of the cosmetic, toiletry and hygiene products they used were ones they used for themselves and for their own wellbeing. A few even said that they had had more time to look after and take care of themselves using cosmetic, toiletry and hygiene products they liked this year. Therefore, having been more socially isolated over the past year due to the pandemic had not made a difference to their purchasing. However, some felt that they had slightly less need for products in this category during the lockdowns or that they were trying to spend less money during this period, therefore seeing a decrease in their consumption of beauty and hygiene products in general.

## Sources of counterfeit cosmetic, toiletry and hygiene products

The most common sources for counterfeit products in this category were online. Some, however, ensured they bought these products in-person in order to assess them first.

The most common online sources were marketplaces such as Facebook marketplace, Vinted.com, Wish.com etc. Some participants mentioned looking for counterfeit products via search terms as simple as, ‘Counterfeit perfumes/cosmetics’ or ‘Replica perfumes/cosmetics’.

Reviews played an important part in online purchases of counterfeit cosmetic, toiletry and hygiene products and many had trusted sites/contacts from which they bought online. A couple of participants mentioned watching YouTube reviews of counterfeit products both in the beauty and hygiene category as well as others, in order to get the best impression of a product before buying it.

Nonetheless, some preferred buying perfumes and other products in-person from shops or markets in order to touch or smell them first and ascertain that they had no bad reaction and that the product resembled the authentic look/scent.

> ***“I most definitely am drawn by the iconic packaging and tempted to have the branding bit, but also want to get a sense of the product itself - how it may smell and its texture too. I know replicas could be far off from branded products at times, but still to be considered as replica, they must have gotten at least some elements spot on.”***
> **Male, 35-44, Cosmetics, toiletry and hygiene**

> ***“It makes me feel good as I know that I have saved money that I can put towards something else that I need or save. Buying high end luxury brands doesn’t really appeal to me at the moment. Unless I find an expensive brand which I really can’t top with the replicas then I am happy to purchase counterfeit products as long as they do the job. I think that the packaging makes you think that it is a premium brand and therefore better than just a shampoo from a cheap brand.”***
> **Female, 16-24, Cosmetics, toiletry and hygiene**

> ***“To be honest the reason I buy replicas is cost. I like certain fragrances but my bank doesn’t. I know I like Lancome and Chanel’s fragrances but I don’t want to pay that much just to have the scents I like.”***
> **Female, 35-44, Cosmetics, toiletry and hygiene**

> ***“I like getting bargains, it makes me feel as though I’ve beat the system and I’ve saved money somehow. They are charging way too much and you see all the celebs and Instagram influencers with stuff that you struggle to buy!”***
> **Female, 35-44, Cosmetics, toiletry and hygiene**

# Clothing, footwear and accessories

## 88%

**of the total sample had purchased a clothing, footwear, or accessory product in the last year**

**14%**

of those who purchased a clothing, footwear or accessory product in the last year **purchased counterfeit products in that category**

**9%** of clothing product consumers purchased counterfeits

**6%** footwear/ shoe consumers purchased counterfeits

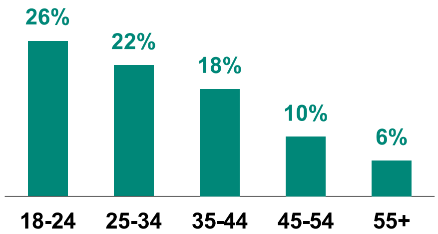
**10%** accessory (excluding watches) consumers purchased counterfeits

**8%** watch consumers purchased counterfeits

**Of consumers in this category, these purchased counterfeits:**

**16%** Male

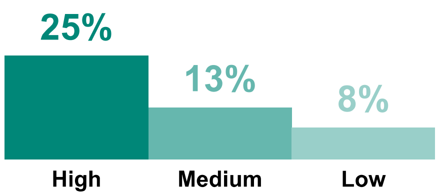
**12%** Female




ABC1 13%

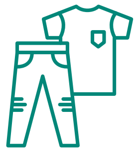
C2DE 16%

**Passion level for category:**

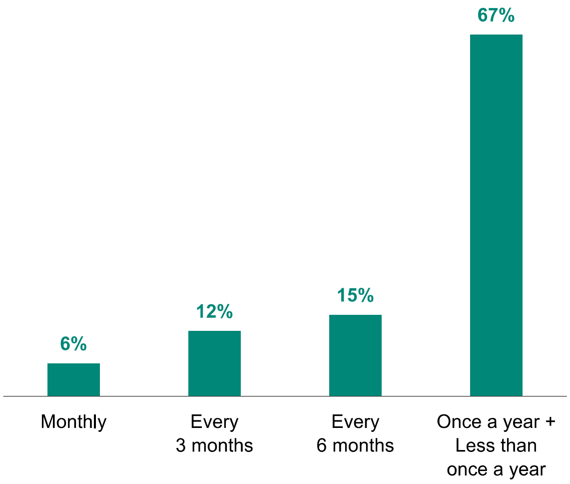


# Clothing products
## (excluding sportswear)

The 9% 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.



### Frequency of purchase:




### Spent an average of

**£57**

per year on counterfeit clothing products

### Recipients of purchase:

Myself **83%**

Family **27%**

### Reason for purchase:

- Cheaper price **57%**
- I want to spend less money **42%**
- The design looks similar/the same **38%**

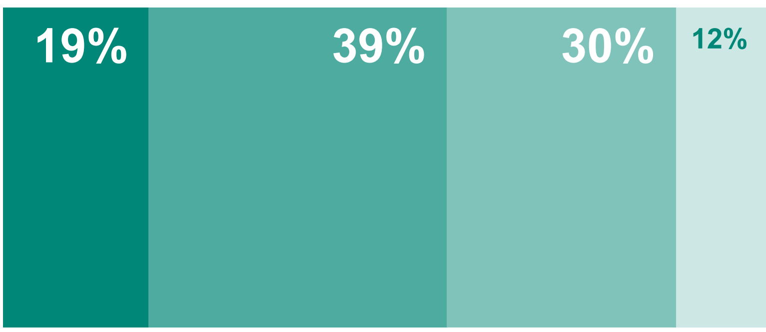
### Brands purchased:

- Gucci **23%**
- Giorgio Armani **15%**
- Burberry **11%**

### Sources of purchase:

| | |
|---|---|
| Online via a global e-commerce site (e.g. Amazon, eBay, etc.) | 31% |
| From local markets when on holiday | 23% |
| Online via a social media site (e.g. Facebook, Instagram) | 20% |

### If they weren't available, they would:



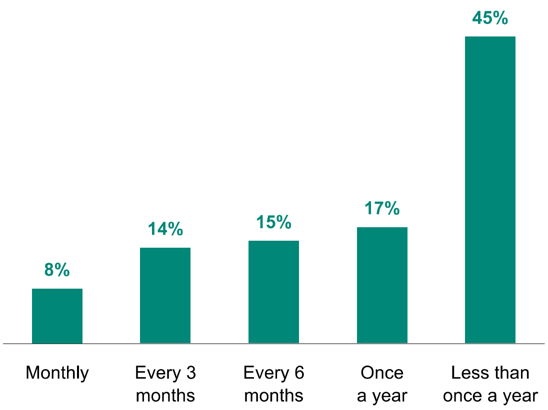

- I would buy the product directly from the brand
- I would buy a similar product from a cheaper brand
- I would go without the product
- Not sure/don't know

# Footwear/shoes

## (excluding sports footwear)

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

### Frequency of purchase:




### Spent an average of

**£95**

per year on counterfeit footwear/shoes

### Recipients of purchase:

Myself **78%**

Family **17%**

### Reason for purchase:

Cheaper price 50%

I want to spend less money 41%

The design looks similar/the same 30%

### Brands purchased:

Gucci 20%

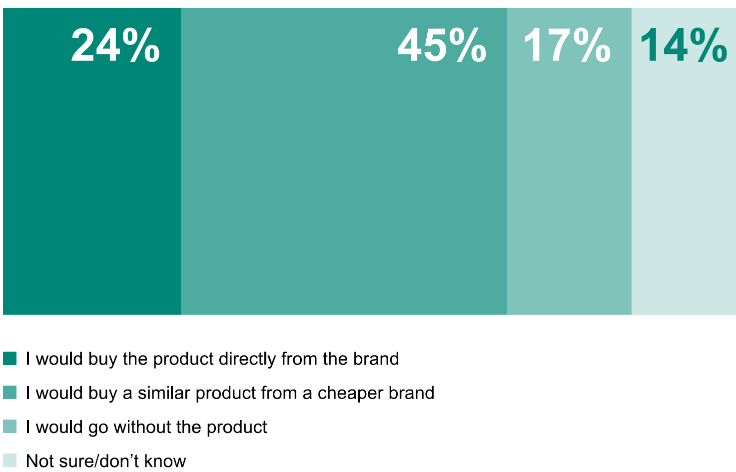
Timberland 16%

Lee Cooper 10%

### Sources of purchase:

| | |
|---|---|
| Online via a global e-commerce site (e.g. Amazon, eBay, etc.) | 31% |
| Online via a social media site (e.g. Facebook, Instagram) | 26% |
| In-store not from the brand – via a smaller retailer | 20% |

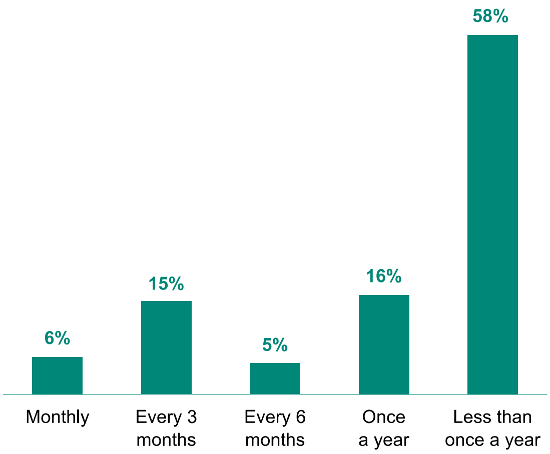
### If they weren't available, they would:



# Accessories
## (excluding watches)

The 10% of accessory consumers who had purchased a counterfeit product in that category in the past year were asked in further detail about their purchasing behaviour.

### Frequency of purchase:




### Spent an average of

**£72**
per year on counterfeit accessories

### Recipients of purchase:

Myself **84%**

Family **21%**

### Reason for purchase:

Cheaper price **56%**

The design looks similar/the same **48%**

I want to spend less money **43%**

### Brands purchased:

Gucci **25%**

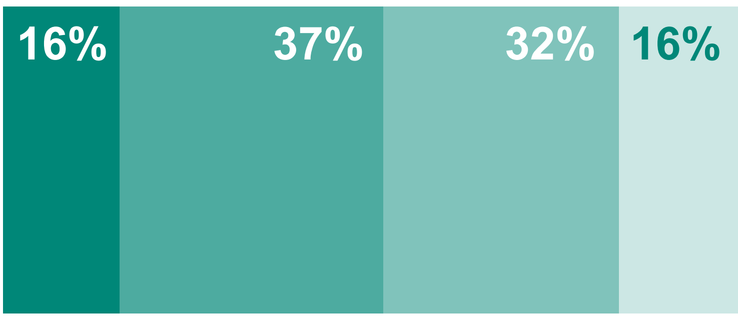
Chanel **24%**

Rayban **24%**

### Sources of purchase:

| | |
|---|---|
| Online via a global e-commerce site (e.g. Amazon, eBay, etc.) | 34% |
| From local markets when on holiday | 30% |
| Online via a social media site (e.g. Facebook, Instagram) | 18% |

### If they weren't available, they would:

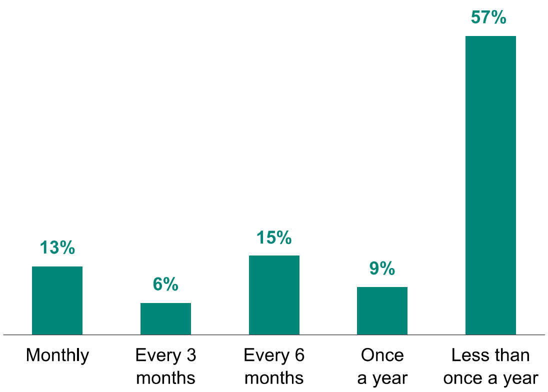



- I would buy the product directly from the brand
- I would buy a similar product from a cheaper brand
- I would go without the product
- Not sure/don't know

# Watches
## (including smartwatches)

The 8% 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.

### Frequency of purchase:




### Spent an average of

**£136**
per year on counterfeit watches

### Recipients of purchase:

Myself **85%**

Family **20%**

### Reason for purchase:

Cheaper price **58%**

I want to spend less money **37%**

The design looks similar/the same **36%**

### Brands purchased:

Rolex **35%**

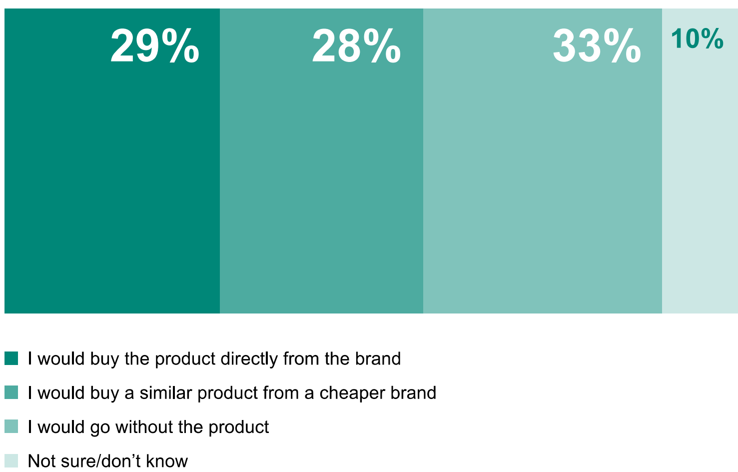
Apple **27%**

Omega **17%**

### Sources of purchase:

| | |
|---|---|
| Online via a global e-commerce site (e.g. Amazon, eBay, etc.) | 39% |
| From local markets while on holiday | 29% |
| Online via a social media site (e.g. Facebook, Instagram) | 24% |

### If they weren't available, they would:



# Qualitative Insight – Clothing, shoes and accessories

## The importance of clothing, shoes and accessories for consumers

Participants generally thought of fashion as something that was important to them. Two of the key reasons for this were wanting to follow trends which made them feel part of something bigger in general society and being able to put together creative styles which allowed them to express themselves. Even those who said they didn't care about fashion trends still liked to feel good and comfortable in what they were wearing, which involved picking and choosing certain pieces and styles of clothing.

## Most popular types of counterfeit clothing, shoes and accessories

Within the Online Community, most participants spoke about buying one of three main types of article: designer tops and hoodies; designer handbags; and designer sunglasses. Other items were mentioned by a few participants, such as designer belts, but largely participants reported focussing their purchasing on these three items. The reasons were that accessories such as handbags and sunglasses were statement pieces which made them feel special and tended to last for a little while. Designer tops such as Lacoste polo shirts, Ralph Lauren shirts or luxury brand hoodies often carried a logo which was visible to others and made people feel like they were wearing something of high worth and made them feel good.

## Reasons for purchasing counterfeit clothing, shoes and accessories

Price was a key driver in the purchasing of counterfeit products in this category. Many said they would simply never be able to afford the authentic clothing or accessory articles from such brands and therefore decided to search for counterfeit versions instead.

There were also specific reasons why participants preferred buying a counterfeit version of a designer product as opposed to simply going for an authentic item from a brand they could afford:

- For some, being able to step out in what looks like designer branded clothing was said to be a big boost to their confidence or mood, helping them to feel good. This was usually either because they were brands they particularly liked and wanted to wear for their own satisfaction or because there were certain trends they wanted to be involved in regardless of the exact designer label.
- Some said they cared little about the designer label itself but often found themselves drawn to a particular design or style of an item which happened to be from a designer brand. Being put off by the high price, many said they then searched for a cheaper version in order to have an item in said style.

## The impact of Covid-19 on purchasing of counterfeit clothing, shoes and accessories

Purchasing in this category had decreased for many because without being out and about amongst others, they felt less impetus to be seen in particular brands. Others mentioned that the usual place they would buy a counterfeit in this category was abroad at a market and having not been able to travel due to the pandemic, this source had not been available to them and meant they had purchased fewer counterfeits this year.

Opinion was fairly split on whether they would continue to buy counterfeits as much as before the pandemic once things started reopening. Some felt that, inevitably, things would go back to normal and they would once again want to be seen in certain styles and brands. On the other hand, some felt that the pandemic had changed their perception of clothing and that having bought less over lockdown, they would try to maintain a habit of buying less clothing in general, whether authentic or counterfeit.

### Sources of counterfeit clothing, shoes and accessories

For some participants in the Online Community, the main source of their counterfeit clothes and accessories were markets they visited abroad while on holiday. This meant they tended to mainly purchase counterfeits at regular annual or bi-annual intervals and often didn't look much beyond these sources. A couple mentioned markets within the UK, such as Bovingdon Market, as places they visited to look for counterfeits.

Others mentioned a variety of methods they used to source counterfeit clothing and accessories. Some had friends of friends or relatives who sold counterfeits and who either came round to their houses or who they bought items from over sites such as Facebook. Facebook Marketplace specifically, and private groups on Instagram were also common sources where participants found reviews of products from previous buyers. These sites were often recommended by friends or participants stumbled upon them themselves through search terms.

Search terms used to find counterfeit clothing and accessories were as simple as typing in the words 'cheap' or 'knock off' before product names. A few highlighted that they sometimes came across new sites which sold counterfeits through advertising, based on what they had previously clicked on or searched.

The list of dedicated online stores mentioned by participants as regular sources for counterfeit clothing and accessories included the following: eBay; DePop; replicawholesale; StockX; AliExpress; and Wish.com. Some said they would look into sellers and read reviews if they were purchasing from them for the first time, in order to ascertain whether they seemed reliable.

### Influencers and celebrities endorsing counterfeits

While most had not come across content in which influencers endorsed counterfeits, those who had done so had generally seen videos relating to clothing and accessories. Some younger participants said that even if they hadn't come across such content yet, there was potential for them to pay attention and perhaps be influenced into looking for certain counterfeit products or sites.

> ***"The luxury goods and brands nowadays make me able to transport myself to a place of higher self-esteem, and feel like I belong to an exclusive club."***
> **Male, 25-34, Clothing, shoes and accessories**

> ***"My main reason for buying counterfeit handbags is that they're often of similar quality, for a fraction of the price. I'm not particularly brand-conscious, but the replicas of designer brands often happen to be of a nice quality and style."***
> **Female, 45-54, Clothing, shoes and accessories**

> *"I have felt a much lesser need to buy counterfeit products during lockdown because my overall purchasing habits have decreased and I am less interested in aesthetics when I'm not leaving the house. Counterfeit products have not had a great presence in my mind as I am more thinking about basic happiness and health."*
> **Female, 16-24, Clothing, shoes and accessories**

> *"I have seen videos on YouTube from influencers showing counterfeit products they have bought online and comparing them to the real product. I find it interesting and think they're helpful to people who have less money. I do feel like they influence me to think about buying the products. The products they showed were handbags, clothes and accessories."*
> **Female, 25-34, Clothing, shoes and accessories**

# Sports

**58%**
**of the total sample had purchased a sports product in the last year**

**12%**
of those who purchased a sports product in the last year purchased counterfeit products in that category

**6%** of regular sportswear consumers purchased counterfeits

**12%** of sportswear from clubs/franchises consumers purchased counterfeits

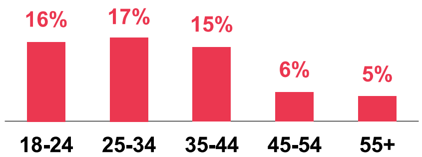
**7%** of sports footwear consumers purchased counterfeits

**6%** of sports equipment consumers purchased counterfeits

**Of consumers in this category, these purchased counterfeits:**

**16%** Male

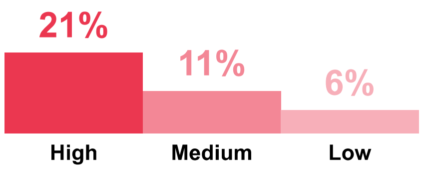
**8%** Female




ABC1 10%

C2DE 14%

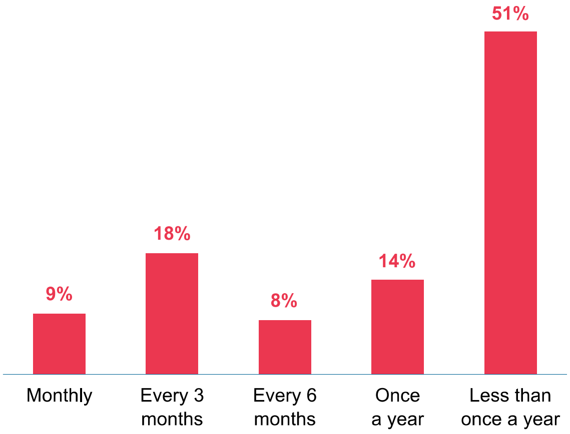
**Passion level for category:**



# 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.

## Frequency of purchase:




## Spent an average of

**£114**

per year on regular sportswear

## Recipients of purchase:

Myself **76%**

Family **17%**

## Reason for purchase:

Cheaper price **47%**

The design looks similar/the same **34%**

I want to spend less money **26%**

## Brands purchased:

Adidas **47%**

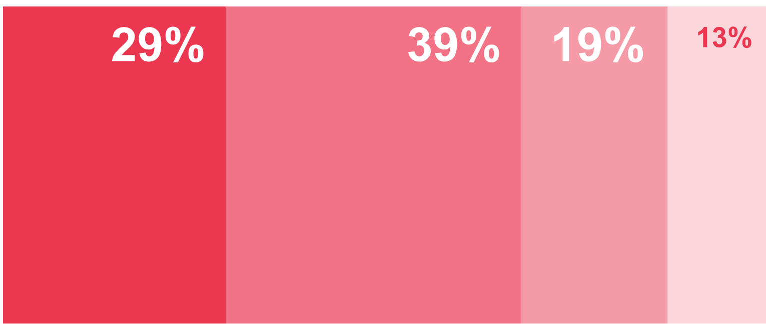
Nike **37%**

Lacoste **21%**

## Sources of purchase:

| | |
|---|---|
| Online via a global e-commerce site (e.g. Amazon, eBay, etc.) | 38% |
| From local markets while on holiday | 24% |
| In-store not from the brand – via a smaller retailer | 21% |

## If they weren't available, they would:

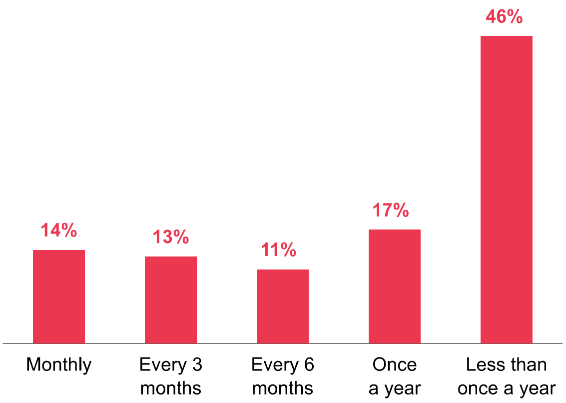



- I would buy the product directly from the brand
- I would buy a similar product from a cheaper brand
- I would go without the product
- Not sure/don't know

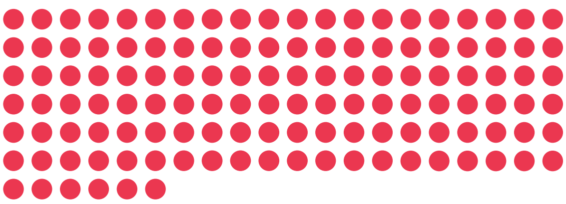
# Sportswear from clubs/franchises

The 12% of sportswear from clubs/franchises consumers who had purchased a counterfeit product in that category in the past year were asked in further detail about their purchasing behaviour.

### Frequency of purchase:




### Spent an average of



**£126**

per year on counterfeit sportswear from clubs/franchises

### Recipients of purchase:

Myself **77%**

Family **29%**

### Reason for purchase:

Cheaper price **54%**

I want to spend less money **36%**

The quality is similar/the same **31%**

### Brands purchased:

Premier League Sportswear **49%**

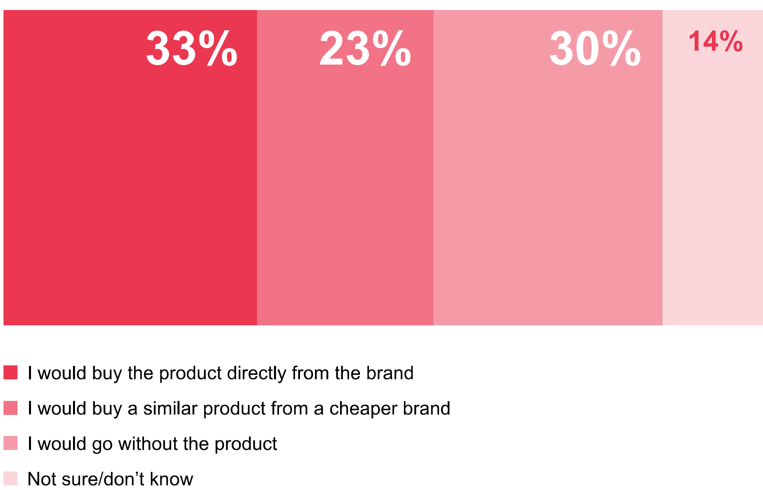
Bundesliga team sportswear **21%**

La Liga team sportswear **20%**

### Sources of purchase:

| | |
|---|---|
| Online via a global e-commerce site (e.g. Amazon, eBay, etc.) | 35% |
| From online sellers based abroad | 25% |
| From local markets when on holiday | 20% |

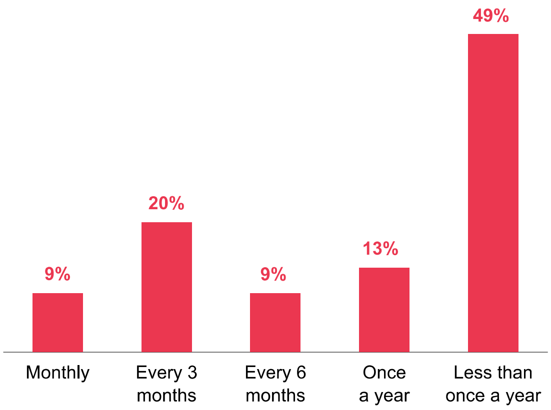
### If they weren't available, they would:



# Sports footwear

The 7% 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.

## Frequency of purchase:




## Spent an average of

**£139**
per year on sports footwear

## Recipients of purchase:

Myself **74%**

Family **21%**

## Reason for purchase:

I want to spend less money **42%**

Cheaper price **40%**

I want to have the products but can't always afford real ones **30%**

## Brands purchased:

Nike **48%**

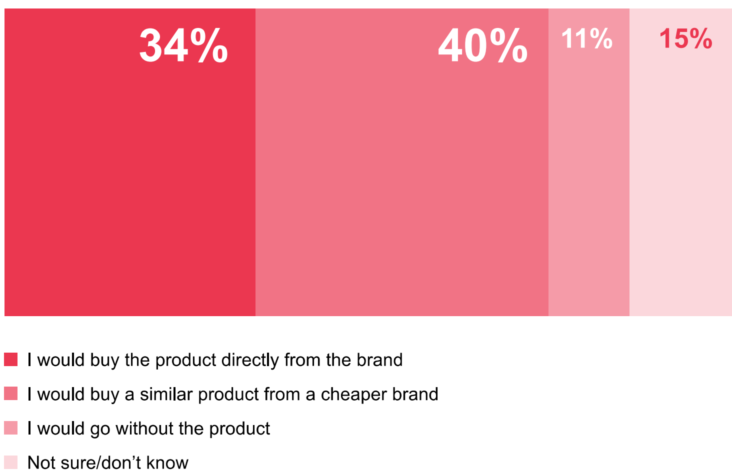
Adidas **48%**

Converse **13%**

## Sources of purchase:

| | |
|---|---|
| Online via a global e-commerce site (e.g. Amazon, eBay, etc.) | 33% |
| Online via a social media site (e.g. Facebook, Instagram) | 25% |
| In-store not from the brand – via a smaller retailer | 23% |

## If they weren't available, they would:



## Qualitative Insight – Sportswear

### The importance of sportswear for consumers

Within the sample of the Online Community, sportswear often served two purposes: playing sport and also serving as loungewear or even fashion (e.g. athleisure). In the cases where sportswear was a fashion item, most commonly trainers, participants showed an affinity for certain brands and a love of certain styles. However, when it came to loungewear or playing sports, the specific brand was seen as less relevant, though many participants still often focussed on either Adidas or Nike.

### Most popular types of counterfeit sportswear

Some of the most common purchases made by participants were replica football shirts and trainers which were often used primarily for fashion rather than sport. Some also bought counterfeit items for exercising such as leggings, shorts and t-shirts from well-known sports brands.

### Reasons for purchasing counterfeit sportswear

Sportswear brands were perceived as expensive and many participants wanted to look as if they were wearing something from a big sports brand without having to pay the full price. In the case of fashion-oriented items, such as trainers, participants felt the prices of authentic products were prohibitive, but they didn't want to be excluded from the latest trends. Football t-shirts were popular and important to those who followed certain clubs, but legitimate items were seen as too expensive, especially as club kits changed frequently and were quickly out of date once bought. In terms of playing sports, those who couldn't afford authentic brand leggings, shorts or t-shirts went for counterfeit versions despite acknowledging that these items were often lower quality and didn't last as long. However, they liked being able to wear similar items to others in the gym or at training sessions.

### The impact of Covid-19 on purchasing of counterfeit sportswear

Participants noted that since the beginning of the pandemic, their purchasing of sportswear had remained relatively consistent. Some said their consumption had increased slightly due to staying inside more and using sportswear such as leggings, tracksuits and sports tops as loungewear. When it came to trainers and football shirts, many continued buying these as gifts to themselves and as part of their everyday wear during lockdown; whether at home or outside.

### Sources of counterfeit sportswear

In regard to sourcing counterfeit sportswear, some participants highlighted that finding products such as replica football t-shirts in person was difficult as they were not widely available whereas purchasing online offered a broad range and was therefore more convenient.

Some mentioned buying from sellers in private Facebook groups as well as through links shared on sites such as Reddit or Football365 where they also found advice, reviews and recommendations. Aside from these sources, others also mentioned a host of popular online retailers for all kinds of counterfeit sportswear products such as eBay, Amazon and AliExpress.

> ***"In terms of football shirts, I can't justify the cost for what is essentially a glorified t-shirt. I wouldn't mind paying an average or even high price of say £30-£40 but £60+ is crazy money for what you get, especially when I could buy 3 or 4 t-shirts for the same amount."***
> **Male, 35-44, Sportswear**

> ***"I have 100% bought more counterfeit products in the last 12 months. It began when I was out of work during lockdown and also had more time online. Boredom led me to a lot more Internet browsing and online shopping and this led me to buying football shirts. I found that if you looked for a genuine, pre owned retro shirt on Ebay you could be bidding up to £100, especially for very popular items, but a replica on the Facebook group for the same was only around £30. I didn't particularly need them, but found myself buying at least one a month, just to have something to look forward to in the post and also because they are comfortable to wear when you're confined to the house and garden."***
> **Male, 35-44, Sportswear**

> ***"Finding counterfeit goods for sale is not hard, many online shops from China etc, have these goods for sale. It is the same with Facebook market or other shopping sites. If you are willing to look, you can find them easy enough."***
> **Male, 45-54, Sportswear**

> ***"I no longer buy fake sportswear products in person due to the restrictions imposed within the shops for this. I prefer to buy from the Internet now. There are many websites on the internet where I can buy fake sportswear: Amazon, eBay, AliExpress. Sometimes when I am looking online, I will look up the seller's name, ratings, and product reviews."***
> **Male, 25-34, Sportswear**

# Toys

**41%**

**of the total sample had purchased a toy product in the last year**

**9%**

of those who purchased a toy product in the last year purchased counterfeit products in that category

**5%** of doll/action figure consumers purchased counterfeits

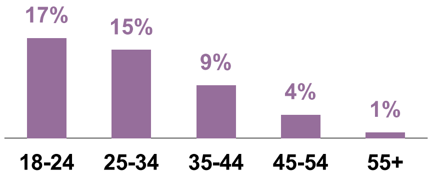
**6%** of toy building set consumers purchased counterfeits

**7%** of TV merchandise consumers purchased counterfeits

**Of consumers in this category, these purchased counterfeits:**

**14%** Male

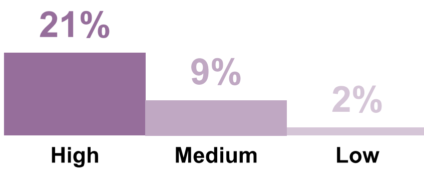
**5%** Female




ABC1 9%

C2DE 9%

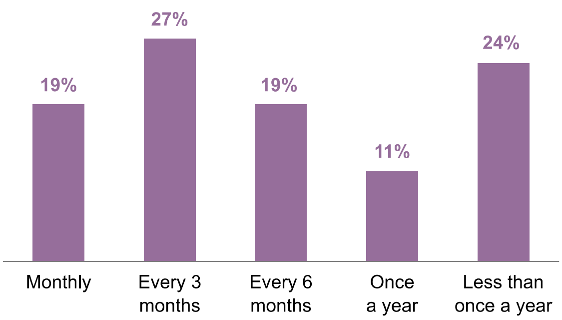
**Passion level for category:**



# Toys

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

## Frequency of purchase:




## Spent an average of

**£177**

per year on counterfeit toys.

## Recipients of purchase:

Myself **46%**

Family **44%**

## Reason for purchase:

I want to spend less money **32%**

Cheaper price **31%**

The design looks similar/the same **27%**

## Brands purchased:

Disney toys/merchandise **42%**

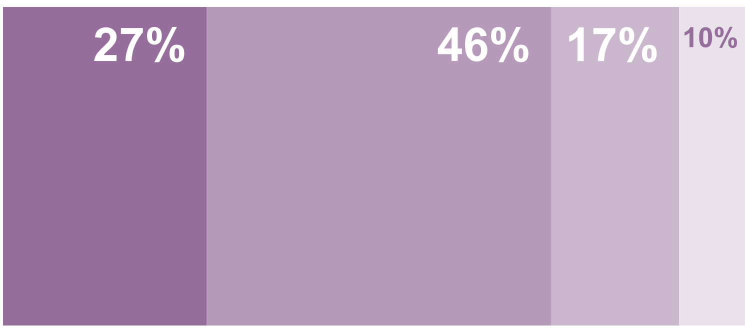
Lego (including Duplo and themed Lego sets) **25%**

Hello Kitty toys/merchandise **23%**

## Sources of purchase:

| | |
|---|---|
| Online via a global e-commerce site (e.g. Amazon, eBay, etc.) | 46% |
| In-store not from the brand – via a smaller retailer | 33% |
| Online via a social media site (e.g. Facebook, Instagram) | 20% |

## If they weren't available, they would:




- I would buy the product directly from the brand
- I would buy a similar product from a cheaper brand
- I would go without the product
- Not sure/don't know

# Electricals

**76%**

**of the total sample had purchased an electrical product in the last year**

**8%**

of those who purchased an electrical product in the last year purchased counterfeit products in that category.

**4%** of beauty and hygiene related electrical consumers purchased counterfeits

**9%** of electrical accessory consumers purchased counterfeits

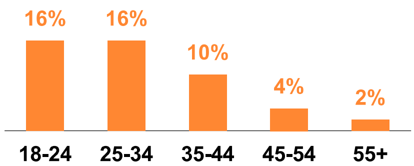
**3%** of electrical device consumers purchased counterfeits

**2%** of DVD and Blu Ray consumers purchased counterfeits

**Of consumers in this category, these purchased counterfeits:**

**10%** Male

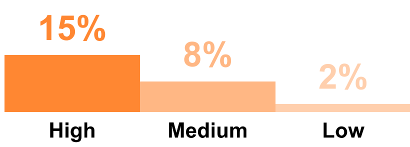
**6%** Female




ABC1 7%

C2DE 9%

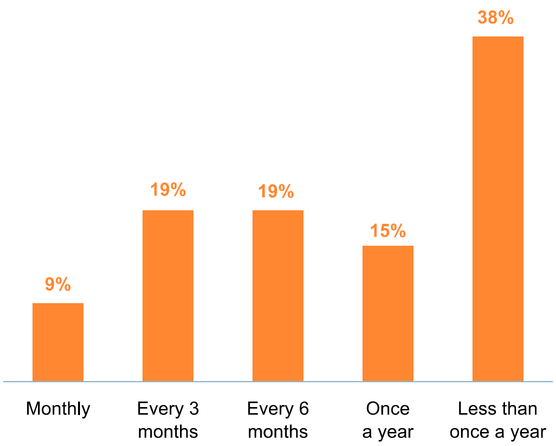
**Passion level for category:**



# Electrical Accessories

The 9% of electrical accessory consumers who had purchased a counterfeit product in that category in the past year were asked in further detail about their purchasing behaviour.

### Frequency of purchase:




### Spent an average of

**£76**

per year on counterfeit electrical accessories

### Recipients of purchase:

Myself 83%

Family 25%

### Reason for purchase:

Cheaper price 59%

I want to spend less money 41%

The design looks similar/the same 30%

### Brands purchased:

Apple 53%

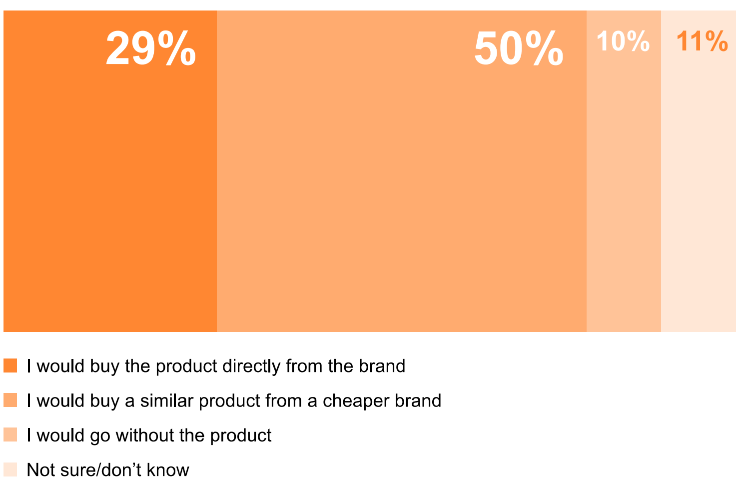
Samsung 23%

Beats by Dre 20%

### Sources of purchase:

| | |
|---|---|
| Online via a global e-commerce site (e.g. Amazon, eBay, etc.) | 57% |
| In-store not from the brand – via a smaller retailer | 25% |
| Online via a social media site (e.g. Facebook, Instagram) | 19% |

### If they weren't available, they would:



## Qualitative Insight – Electricals

### The importance of electrical products for consumers

Electrical products were mainly functional items for most participants, with little brand affiliation for day to day products. The smaller ticket items of which participants most commonly bought counterfeit versions, such as accessories for devices, were ones in which branding didn't play much of a role and which participants saw as necessary items, rather than ones they were passionate about. Bigger ticket items, such as laptops, phones and high-quality headphones were more exciting to participants and ones they put more thought and research into but didn't often buy counterfeit versions of.

### Most popular types of counterfeit electrical products

The most common types of electrical products that participants in the Online Community bought counterfeits of were often accessories; chargers for devices such as phones or laptops and headphones. Some also mentioned self-care products such as men's razors which they felt were too expensive when their technology was easily replicated and could be bought as counterfeits for much cheaper. A few mentioned buying replica headphones but the majority said they focussed on counterfeits of smaller items.

### Reasons for purchasing counterfeit electricals

The reasons for purchasing counterfeits of electrical goods revolved around price and the fact that electrical goods and accessories tended to need replacing regularly. Participants mentioned that accessories such as chargers and headphones often broke or went missing meaning that there was a high turnover of these products with participants not wanting to pay full price every time they replaced an item.

### The impact of Covid-19 on purchasing of counterfeit electricals

For many participants in the Online Community, the use of counterfeit electricals had remained consistent to previous years, whilst for some there was an increase. For those whose purchasing had remained consistent, it appeared that restrictions on social interaction had little effect on their use of electrical goods. For those who saw an increase however, the pandemic had meant that more people in their household were constantly indoors and on devices, creating a greater need for things such as chargers and headphones.

### Sources of electrical products

A few participants in the Online Community said they preferred to shop for counterfeit electrical products in person, from small shops or street stalls, because they said it was easier to tell the quality of the product in this way. A few mentioned that when shopping online, it was common for products to arrive of a poor standard or not as pictured, if they arrived at all.

Nonetheless, many had also found sellers online who they trusted and frequently bought from. Some participants preferred purchasing online because they felt it was a more private setting in which to buy counterfeits and with a greater range of choices. These were often trusted sellers on eBay, Amazon, AliExpress, Alibaba or even on social media. Owing to the pandemic, even those who preferred buying in-person had started purchasing online more frequently, due to the closure of shops or not wanting to take the risk of going outside to shop.

> ***"[I buy counterfeit products] due to price, but also because the durability of some genuine products, specifically chargers and earphones, is rubbish anyway, so why would I fork out the extra for an extra few months of use before I have to repurchase? I particularly like buying counterfeit versions of Apple products, because they're so ridiculously expensive but I like the style. Having a replica of a particular brand doesn't make me feel a particular way, I don't care if people know that it's fake or not, I just will personally buy something counterfeit if I like the style of the genuine product but not the price."***
> **Female, 16-24, Electricals**

> ***"Counterfeit items are very affordable and sometimes of good quality. I like to buy counterfeit electrical gadgets for removal of facial hair. This specific item I like to purchase because it serves the same purpose as the original and it's of good quality too. I see most high end luxury goods as a rip off to the consumer and profit making."***
> **Male, 35-44, Electricals**

> ***"So at first I bought counterfeit products to save some money. Then when the pandemic arrived, the need to save money increased. I buy counterfeit products from top brands such as Apple, Samsung, Sony for less than a half price of the original price. Since the pandemic I've had to buy more and more counterfeit electrical products for me and my family since staying at home more often requires more electric products."***
> **Female, 35-44, Electricals**

# Alcohol

**82%**

**of the total sample had purchased an alcohol product in the last year**

**4%**

of those who purchased an alcohol product in the last year purchased counterfeit products in that category

**2%** of bottles of wine/ champagne consumers purchased counterfeits

**3%** of bottles of spirit consumers purchased counterfeits

**2%** of bottles/cans of beer or cider consumers purchased counterfeits

**Of consumers in this category, these purchased counterfeits:**

| Male | Female |
|---|---|
| 5% | 3% |

| 18-24 | 25-34 | 35-44 | 45-54 | 55+ |
|---|---|---|---|---|
| 12% | 8% | 5% | 1% | 1% |

| ABC1 | C2DE |
|---|---|
| 4% | 5% |

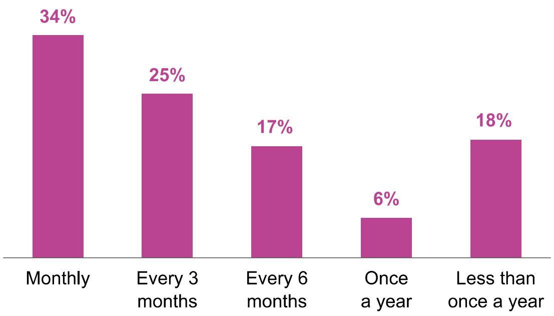
**Passion level for category:**

| High | Medium | Low |
|---|---|---|
| 11% | 4% | 2% |

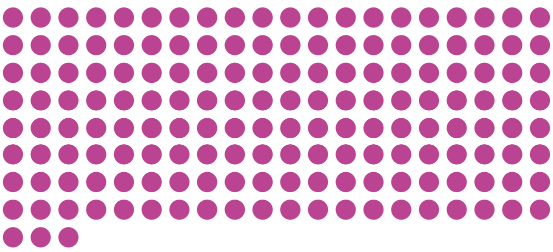
# Alcohol Products

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

### Frequency of purchase:




### Spent an average of



**£163**

per year on counterfeit alcohol

### Recipients of purchase:

Myself **81%**

Family **25%**

### Reason for purchase:

Cheaper price **38%**

I want to spend less money **34%**

The quality is similar/the same **33%**

### Brands purchased:

Vodka (e.g. Smirnoff) **18%**

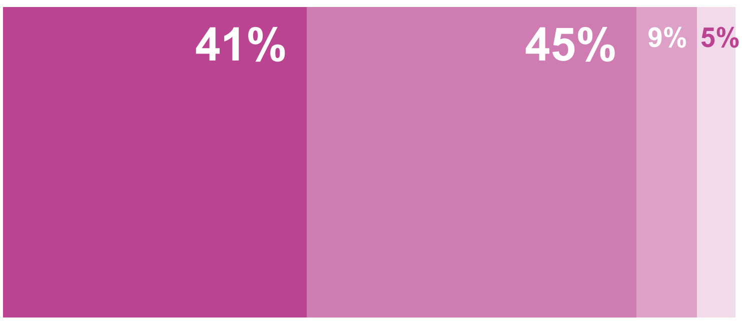
Heineken **13%**

Rum (e.g. Captain Morgan) **11%**

### Sources of purchase:

| | |
|---|---|
| In-store not from the brand – via a smaller retailer | 41% |
| Online via a global e-commerce site (e.g. Amazon, eBay, etc.) | 39% |
| Online via a social media site (e.g. Facebook, Instagram) | 23% |

### If they weren't available, they would:




- I would buy the product directly from the brand
- I would buy a similar product from a cheaper brand
- I would go without the product
- Not sure/don't know

# Unintentional counterfeit purchasing

## Cosmetics and Toiletry Products

The 3% of the total sample who had made an unintentional purchase in this category in the past year were asked further questions about it.

**Who the product is for:**

Myself
83%

Family
25%

**Where it was purchased from:**

| | |
|---|---|
| Online via a global e-commerce site (e.g. Amazon, eBay, etc.) | 44% |
| In-store not from the brand – via a smaller retailer | 25% |
| Online via a social media site (e.g. Facebook Marketplace) | 24% |

**Top 3 reasons that made them realise it was a fake:**

The quality
65%

Upon reflection it was too cheap
34%

The packaging
32%

**When they realised their unintentional purchase(s) were a fake:**

Before consuming
49%

After consuming
53%

**Actions after purchase:**

| | |
|---|---|
| Took action | 60% |
| Took no action | 40% |

**Top action:**
I made a complaint to the seller 31%

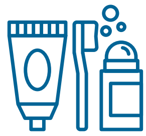
**Whether or not they successfully got a refund:**

Yes
67%

No
33%

# Hygiene Products

The 2% of the total sample who had made an unintentional purchase in this category in the past year were asked further questions about it.



### Who the product is for:

| | |
|---|---|
| Myself | 81% |
| Family | 27% |

### Where it was purchased from:

| | |
|---|---|
| In-store not from the brand – via a smaller retailer | 53% |
| Online via a social media site (e.g. Facebook Marketplace) | 38% |
| From a local market in the UK | 18% |

### Top 3 reasons that made them realise it was a fake:

| | |
|---|---|
| The quality | 53% |
| The packaging | 36% |
| Upon reflection it was too cheap | 28% |

### When they realised their unintentional purchase(s) were a fake:

| | |
|---|---|
| Before consuming | 59% |
| After consuming | 43% |

### Actions after purchase:

| | |
|---|---|
| Took action | 78% |
| Took no action | 22% |

**Top action:**
I made a complaint to the seller 33%

### Whether or not they successfully got a refund:

| | |
|---|---|
| Yes | 72% |
| No | 28% |

# Clothing

The 4% of the total sample who had made an unintentional purchase in this category in the past year were asked further questions about it.

### Who the product is for:

Myself
89%

Family
18%

### Where it was purchased from:

| | |
|---|---|
| Online via a global e-commerce site (e.g. Amazon, eBay etc.) | 38% |
| In-store not from the brand – via a smaller retailer | 22% |
| From local markets when on holiday | 18% |

### Top 3 reasons that made them realise it was a fake:

The quality
70%

The design
37%

Upon reflection it was too cheap
29%

### When they realised their unintentional purchase(s) were a fake:

Before consuming
44%

After consuming
64%

### Actions after purchase:

| | |
|---|---|
| Took action | 55% |
| Took no action | 45% |

**Top action:**
I made a complaint to the seller 26%

### Whether or not they successfully got a refund:

Yes
61%

No
39%

# Footwear/shoes

The 2% of the total sample who had made an unintentional purchase in this category in the past year were asked further questions about it.

**Who the product is for:**

Myself 89%

Family 20%

**Where it was purchased from:**

| | |
|---|---|
| Online via a global e-commerce site (e.g. Amazon, eBay etc.) | 38% |
| Online via a social media site (e.g. Facebook, Instagram) | 32% |
| In-store not from the brand – via a smaller retailer | 23% |

**Top 3 reasons that made them realise it was a fake:**

The quality 57%

The design 36%

The packaging 36%

**When they realised their unintentional purchase(s) were a fake:**

Before consuming 48%

After consuming 55%

**Actions after purchase:**

| | |
|---|---|
| Took action | 69% |
| Took no action | 31% |

**Top action:**
I made a complaint to the seller 33%

**Whether or not they successfully got a refund:**

Yes 89%

No 11%

# Accessories

The 2% of the total sample who had made an unintentional purchase in this category in the past year were asked further questions about it.

**Who the product is for:**

Myself
78%

Family
23%

**Where it was purchased from:**

| | |
|---|---|
| Online via a global e-commerce site (e.g. Amazon, eBay etc.) | 45% |
| Online via a social media site (e.g. Facebook, Instagram) | 28% |
| In-store not from the brand – via a smaller retailer | 24% |

**Top 3 reasons that made them realise it was a fake:**

The quality
56%

Upon reflection it was too cheap
37%

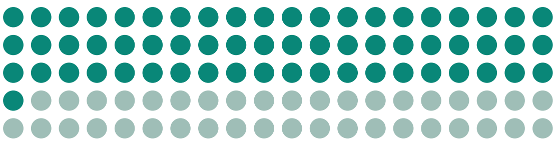
The design
28%

**When they realised their unintentional purchase(s) were a fake:**

Before consuming
47%

After consuming
58%

**Actions after purchase:**



| | |
|---|---|
| Took action | 61% |
| Took no action | 39% |
| **Top action:** Reported via online platform (e.g. Amazon, eBay) | 34% |

**Whether or not they successfully got a refund:**

Yes
96%

No
4%

# Watches

The 1% of the total sample who had made an unintentional purchase in this category in the past year were asked further questions about it.

### Who the product is for:

Myself
85%

Family
21%

### Where it was purchased from:

| | |
|---|---|
| In-store not from the brand – via a smaller retailer | 36% |
| Online via a global e-commerce site (e.g. Amazon, eBay etc.) | 36% |
| Online via a social media site (e.g. Facebook, Instagram) | 33% |

### Top 3 reasons that made them realise it was a fake:

The quality
62%

Upon reflection it was too cheap
40%

The design
34%

### When they realised their unintentional purchase(s) were a fake:

Before consuming
53%

After consuming
50%

### Actions after purchase:

| | |
|---|---|
| Took action | 73% |
| Took no action | 27% |

**Top action:**
I made a complaint to the seller 33%

### Whether or not they successfully got a refund:

Yes
71%

No
29%

# Regular sportswear

The 1% of the total sample who had made an unintentional purchase in this category in the past year were asked further questions about it.

### Who the product is for:

Myself
84%

Family
24%

### Where it was purchased from:

| | |
|---|---|
| Online via a global e-commerce site (e.g. Amazon, eBay etc.) | 48% |
| In-store not from the brand – via a smaller retailer | 27% |
| Online via a social media site (e.g. Facebook, Instagram) | 23% |

### Top 3 reasons that made them realise it was a fake:

The quality
62%

Someone else told me it was a “fake” or “replica”
29%

The design
29%

### When they realised their unintentional purchase(s) were a fake:

Before consuming
41%

After consuming
60%

### Actions after purchase:

| | |
|---|---|
| Took action | 66% |
| Took no action | 34% |
| Top action: Reported via online platform (e.g. Amazon, eBay) | 30% |

### Whether or not they successfully got a refund:

Yes
72%

No
28%

# Sportswear from clubs/franchises

The 1% of the total sample who had made an unintentional purchase in this category in the past year were asked further questions about it.

### Who the product is for:

Myself
83%

Family
30%

### Where it was purchased from:

| | |
|---|---|
| Online via a global e-commerce site (e.g. Amazon, eBay etc.) | 46% |
| In-store not from the brand – via a smaller retailer | 34% |
| Online via a social media site (e.g. Facebook, Instagram) | 22% |

### Top 3 reasons that made them realise it was a fake:

The quality
70%

Someone else told me it was a "fake" or "replica"
41%

The packaging
30%

### When they realised their unintentional purchase(s) were a fake:

Before consuming
48%

After consuming
61%

### Actions after purchase:

| | |
|---|---|
| Took action | 64% |
| Took no action | 36% |
| Top action: Reported via online platform (e.g. Amazon, eBay) | 25% |

### Whether or not they successfully got a refund:

Yes
93%

No
7%

# Sports footwear

The 2% of the total sample who had made an unintentional purchase in this category in the past year were asked further questions about it.

### Who the product is for:

Myself
82%

Family
13%

### Where it was purchased from:

| | |
|---|---|
| Online via a global e-commerce site (e.g. Amazon, eBay etc.) | 38% |
| In-store not from the brand – via a smaller retailer | 31% |
| Online via a social media site (e.g. Facebook, Instagram) | 25% |

### Top 3 reasons that made them realise it was a fake:

The quality
53%

The design
40%

The packaging
31%

### When they realised their unintentional purchase(s) were a fake:

Before consuming
50%

After consuming
58%

### Actions after purchase:

| | |
|---|---|
| Took action | 59% |
| Took no action | 41% |

Top action:
I made a complaint to the seller 22%

### Whether or not they successfully got a refund:

Yes
85%

No
15%

# Toy products

The 2% of the total sample who had made an unintentional purchase in this category in the past year were asked further questions about it.

### Who the product is for:

Myself
56%

Family
38%

### Where it was purchased from:

| | |
|---|---|
| Online via a global e-commerce site (e.g. Amazon, eBay etc.) | 55% |
| In-store not from the brand – via a smaller retailer | 31% |
| Online via a social media site (e.g. Facebook, Instagram) | 19% |

### Top 3 reasons that made them realise it was a fake:

The quality
54%

The design
34%

The packaging
33%

### When they realised their unintentional purchase(s) were a fake:

Before consuming
64%

After consuming
42%

### Actions after purchase:

| | |
|---|---|
| Took action | 75% |
| Took no action | 25% |

**Top action:**
Reported via online platform
(e.g. Amazon, eBay)
27%

### Whether or not they successfully got a refund:

Yes
85%

No
15%

# Electrical accessories

The 2% of the total sample who had made an unintentional purchase in this category in the past year were asked further questions about it.

### Who the product is for:

Myself
83%

Family
26%

### Where it was purchased from:

| | |
|---|---|
| Online via a global e-commerce site (e.g. Amazon, eBay etc.) | 70% |
| In-store not from the brand – via a smaller retailer | 17% |
| From a local market in the UK | 14% |

### Top 3 reasons that made them realise it was a fake:

The quality
64%

The packaging
36%

Upon reflection it was too cheap
29%

### When they realised their unintentional purchase(s) were a fake:

Before consuming
49%

After consuming
56%

### Actions after purchase:

| | |
|---|---|
| Took action | 60% |
| Took no action | 40% |

**Top action:**
I made a complaint to the seller 29%

### Whether or not they successfully got a refund:

Yes
87%

No
13%

# Section 4

## Segmentation

A segmentation was conducted on those who knowingly purchase counterfeits to identify distinct groups of consumers. The basis for this was data from the first phase of the research derived from variables including the frequency of how often they purchase counterfeits as well as their attitudes and behaviours in doing so (e.g. who the purchase was for, the reasons they purchase counterfeits etc.).

Three segments were identified which exhibited differences in terms of their purchasing behaviours and demographics:

- **Light counterfeit purchasers:** The most infrequent purchasers of counterfeit goods. They are older and are slightly more likely to be female. They are not as interested in trends around new products and are less likely to make counterfeit purchases across multiple product categories. Their motivation is to spend less money, and usually buy fake products as an impulse.
- **Moderate counterfeit purchasers:** They purchase counterfeit goods more frequently than the first segment. They are also more likely to be female but have a more mixed profile in terms of age. They have a spread of motivations as to why they purchase fake products, but their attitudes show that they are more likely to thoroughly research their purchases.
- **Heavy counterfeit purchasers:** The most likely to be frequent purchasers of counterfeit goods. They are the youngest segment and skew male. They claim to be at the forefront of trends around new products and buy counterfeit goods across a range of categories. Attitudinally, they have the least regard for their purchases being harmful.

# Light counterfeit purchasers

## Profile

**41%** of counterfeit purchasers

**6%** of the total sample

### Gender

**54%** Female

**46%** Male

### Age

| 18-24 | 25-34 | 35-44 | 45-54 | 55+ |
|---|---|---|---|---|
| 15% | 22% | 20% | 16% | 24% |

**35%** Parent or guardian

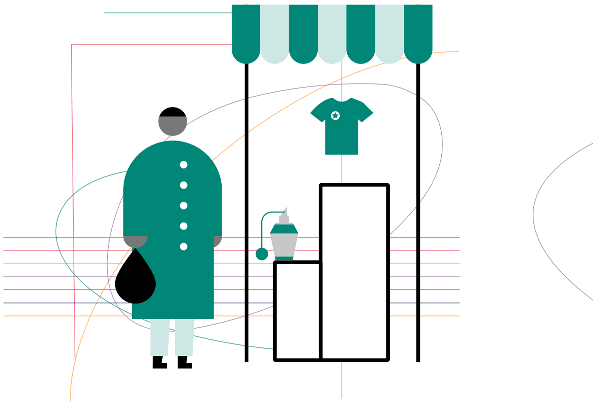
## Purchasing behaviour

### Frequency of counterfeit purchasing

| Frequent | Occasional |
|---|---|
| 27% | 73% |

### Behaviour and consequences

| | |
|---|---|
| When I buy a "fake" or "replica" product it is usually a spontaneous decision | 86% |
| I don't believe what is said about the harmful consequences of "fake" or "replica" products | 36% |
| Before purchasing a "fake" or "replica" product I do research online | 18% |



## Purchased counterfeit categories

| | | |
|---|---|---|
| 01 | Clothing, footwear and accessories | 51% |
| 02 | Beauty and hygiene | 29% |
| 03 | Sports | 23% |
| 04 | Electricals | 23% |
| 05 | Alcohol | 17% |
| 06 | Toys | 13% |

## Consumer type

**58%** People often ask my advice about new products

**46%** I am usually among the first of my friends to try new products

# Moderate counterfeit purchasers

## Profile

**32%** of counterfeit purchasers

**4%** of the total sample

### Gender

55% Female

45% Male

### Age

| 18-24 | 25-34 | 35-44 | 45-54 | 55+ |
|---|---|---|---|---|
| 26% | 25% | 20% | 10% | 19% |

**35%** Parent or guardian

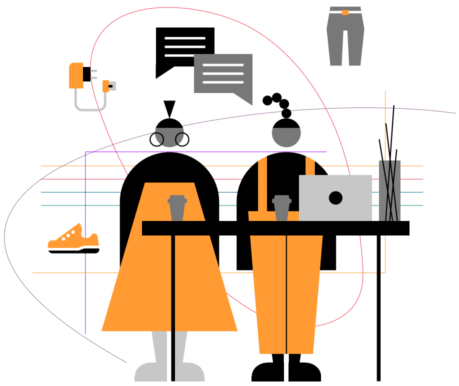
## Purchasing behaviour

### Frequency of counterfeit purchasing

| Frequent | Occasional |
|---|---|
| 34% | 66% |

### Behaviour and consequences

| | |
|---|---|
| When I buy a "fake" or "replica" product it is usually a spontaneous decision | 49% |
| I don't believe what is said about the harmful consequences of "fake" or "replica" products | 22% |
| Before purchasing a "fake" or "replica" product I do research online | 86% |



## Purchased counterfeit categories

01 Clothing, footwear and accessories 55%

02 Electricals 36%

03 Sports 29%

04 Beauty and hygiene 27%

05 Alcohol 19%

06 Toys 17%

## Consumer type

**67%** People often ask my advice about new products

**61%** I am usually among the first of my friends to try new products

AudienceNet

Intellectual Property Office

# Heavy counterfeit purchasers

## Profile

**28%**
of counterfeit purchasers

**4%**
of the total sample

### Gender

**60%** Female

**40%** Male

### Age

| 18-24 | 25-34 | 35-44 | 45-54 | 55+ |
|---|---|---|---|---|
| 24% | 40% | 17% | 11% | 8% |

**53%** Parent or guardian

## Purchasing behaviour

### Frequency of counterfeit purchasing

| Frequent | Occasional |
|---|---|
| 55% | 45% |

### Behaviour and consequences

| | |
|---|---|
| When I buy a "fake" or "replica" product it is usually a spontaneous decision | 50% |
| I don't believe what is said about the harmful consequences of "fake" or "replica" products | 68% |
| Before purchasing a "fake" or "replica" product I do research online | 68% |

## Purchased counterfeit categories

| | | |
|---|---|---|
| 01 | Clothing, footwear and accessories | 63% |
| 02 | Beauty and hygiene | 49% |
| 03 | Electricals | 45% |
| 04 | Sports | 44% |
| 05 | Toys | 35% |
| 06 | Alcohol | 24% |

## Consumer type

**80%**
People often ask my advice about new products

**72%**
I am usually among the first of my friends to try new products

AudienceNet

Intellectual Property Office

# Section 5

## Communications testing

### Informing the communications testing

The final part of the qualitative element of the study set out to explore which types of messaging would be most effective in reducing the purchasing of counterfeit goods. Participants in the Online Community were shown nine messages about the impact of the trade in counterfeit goods and asked to evaluate which themes stood out as the most impactful.

Reactions to the messaging overall were generally positive, though depending on the focus of each message, participants highlighted areas that could be improved in order to make them more effective. Nonetheless, the messages made many participants reflect on their behaviour and evaluate to what extent they felt justified in continuing to purchase counterfeit products given the information they had been shown. Some were shocked by the messages and felt that they might reconsider their behaviour based on what they had seen. Others wanted to see more evidence in the messages or mentioned caveats as to why they felt they would be less likely to reconsider their behaviour.

Messages fell broadly into three categories, all relating to the impact of the counterfeit trade: the impact on the environment; the social and economic impact on people around the world; and lastly, the potentially harmful impact on consumers through toxic or dangerous ingredients. The social and economic messaging focussed on the use of slave labour and poor working conditions within the counterfeit trade. These messages received much attention and felt compelling to many participants, especially where messages had concrete numbers and data to strengthen their claims. The information about working conditions, wages and child labour left an impression on many, with some saying this would make them reflect on their purchasing habits.

Messages about the potential for unknown and harmful ingredients in products were a deterrent for some people who thought the idea of coming into contact with such substances was concerning. However, some said that this only really applied to a certain category of products, namely cosmetics, which they didn't necessarily purchase in the first place.

In relation to messaging about the environment, many said that this was a topic they were concerned about and that learning of the harmful effects of counterfeiting on carbon emissions and eco-systems was a shock. However, the lack of specific examples or measurable impact in this area meant these messages didn't feel as rigorous or effective and some were sceptical about the true impact caused by the counterfeit trade.

In addition to these three categories of messaging, participants were asked separately about whether the negative impact of the Covid-19 pandemic on the retail industry had any effect on their attitudes towards big brands and purchasing counterfeits. Responses showed that even with knowledge of job losses and cuts over the past year, most participants felt little sympathy towards big brands. Though participants felt sympathy for individuals who lost their jobs, many felt that these were inevitable repercussions of lockdowns and wouldn't be enough to make them reconsider purchasing counterfeits. Participants also tended to draw a line between big luxury brands which they felt would weather the storm without any existential threats to their business and smaller high street or independent brands from which they didn't tend to purchase counterfeits in the first place.

## Overview of methodology

The learnings from the qualitative phase informed a second iteration of behaviour change campaign messages. These broadly fell into one of three categories: society and economic impact; fraud; and environmental. The messages were tested with (n=1,000) 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 thirteen pieces of messages were tested in four surveys which were live between June and July 2021. The order of the messaging shown was randomised to minimise any bias. The wording of the messages is shown below.

### Society and economic impact:

- “Counterfeit goods are often produced in developing regions of the world, to minimise costs of production. The factories here are less regulated and face less inspection meaning counterfeit goods often exploit child and slave labour.”
- “Most counterfeit goods are produced in sweatshops where working conditions are bad. Bangladeshi workers in sweatshops earn about $36 a month and work 14-16 hours a day, with no days off.”
- “It has been documented that migrants, who have been smuggled into a country by organised crime groups, are often forced into selling counterfeit goods.”
- “Counterfeit products can contain substances such as bacteria and human faeces. These were found in $700,000 worth of counterfeit cosmetics seized in 2018 by the Los Angeles Police Department.”
- “Organized crime groups such as the Mafia and Camorra in Europe and the Triads and Yakuza in Asia are known for crimes varying from drug and human trafficking, to extortion and money laundering. These organisations have been found to have diversified into trafficking counterfeit goods and the proceeds from these fuel their other illegal businesses.”
- “With over 17,500 stores closing in the UK in 2020, buying counterfeits takes custom away from businesses which are already struggling with the impact of Covid-19.”

### Fraud:

- “Buying counterfeit goods online puts you at increased risk of exposure to malware (i.e. malicious software that is inadvertently downloaded) which can lead to your personal data being stolen (e.g. logins and passwords to accounts, files saved on your computer, information such as your date of birth and address).”
- “Buying counterfeit goods online and in person puts you at increased risk of having your debit/credit card details being cloned allowing someone else to make charges on your account.”

### Environment:

- “Many counterfeit products are made as cheaply as possible which often means they are produced in less sustainable ways than authentic products. Therefore, counterfeit products undermine any investments made by authentic brands in more sustainable and environmentally friendly supply chains (e.g. using less plastic etc.).”

- "With no regulation of counterfeit goods, it is impossible to hold manufacturers of these goods to account on CO2 emissions or waste. Manufacturers of authentic goods are more strictly controlled and face consequences (e.g. fines, prosecution) if found to be in violation of environmental regulations."
- "There have been numerous examples where raids on counterfeit manufacturers have found toxic and harmful chemicals amongst the ingredients of products."
- "Authorities are required by law to seize counterfeit goods and dispose of them. Authorities recycle and reuse as much material from seized counterfeits as possible but many simply have to be destroyed which produces high levels of carbon emissions and landfill."
- "Counterfeit products are less likely to last as long as authentic items meaning they have to be replaced more often, creating greater amounts of environmental waste."

## Overview of messaging effectiveness

In the final weekly survey respondents were shown each piece of messaging again and then asked to pick the three that would be most effective in persuading them not to buy counterfeit products in the future.

### Society and economic impact

The top three ranked pieces of messaging in terms of persuading people not to buy counterfeit products in the future all related to societal and economic impact. The most effective piece of messaging was selected by around four in ten (39%) and related to counterfeit goods being produced in sweatshops with bad working conditions and low pay.

This was closely followed by messaging which emphasised that counterfeit products contained undesirable substances (e.g. bacteria, human faeces), thought to be effective by 36%, while the role of child and slave labour was in third place, with 31% finding this effective.

The role of organised crime was said to be effective by around a quarter (24%) of respondents. Other messaging which emphasised the impact of counterfeits on UK shops and highlighted that undocumented migrants are forced into selling counterfeits were among the least effective messages tested, selected by 17% and 15% respectively.

### Fraud

The two pieces of messaging relating to fraud both ranked highly and came fourth and fifth in terms of effectiveness. These highlighted the dangers of having their debit/credit card cloned as well as being exposed to malware online, and were thought to be effective by 30% and 29% respectively.

### Environment

The messaging tested relating to the environment generally did not resonate as strongly with respondents. The most effective piece related to the presence of toxic and harmful chemicals which was said to be effective by around a quarter (24%).

Three other pieces of environmental messaging were all rated as effective by 15% (each). These included messages relating to the higher amounts of CO2 emissions or waste, how counterfeit goods increase waste by being more disposable (i.e. they don't last as long) and how they can undermine efforts made by legitimate brands in sustainable supply chains.

The least effective piece of messaging related to increased carbon emissions caused by the destruction of seized counterfeits, which was selected by 11%.

### Why the messaging was unlikely to change minds

Respondents were asked a series of questions about each piece of messaging during weeks 1-3 of the survey which looked at how it made them feel, if they were aware of it, if they believed it and, if applicable, why it was unlikely to change their mind.

Those who said that a piece of messaging was unlikely to change their mind were most likely to say, across all pieces of information, that this was because they would need further information.

Encouragingly, most (94-100%) respondents believed ‘all’ or at least ‘some’ of the information in the messages shown, with between 0-6% not believing ‘any’ of them. However, the proportion who believed ‘all’ of the messaging was between 31-44%, highlighting the need to thoroughly test messaging ahead of campaigns, to ensure that they resonate with key target audiences, especially those who may be more sceptical.

## 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: Total sample (n=1,000)*

## Message testing by segment

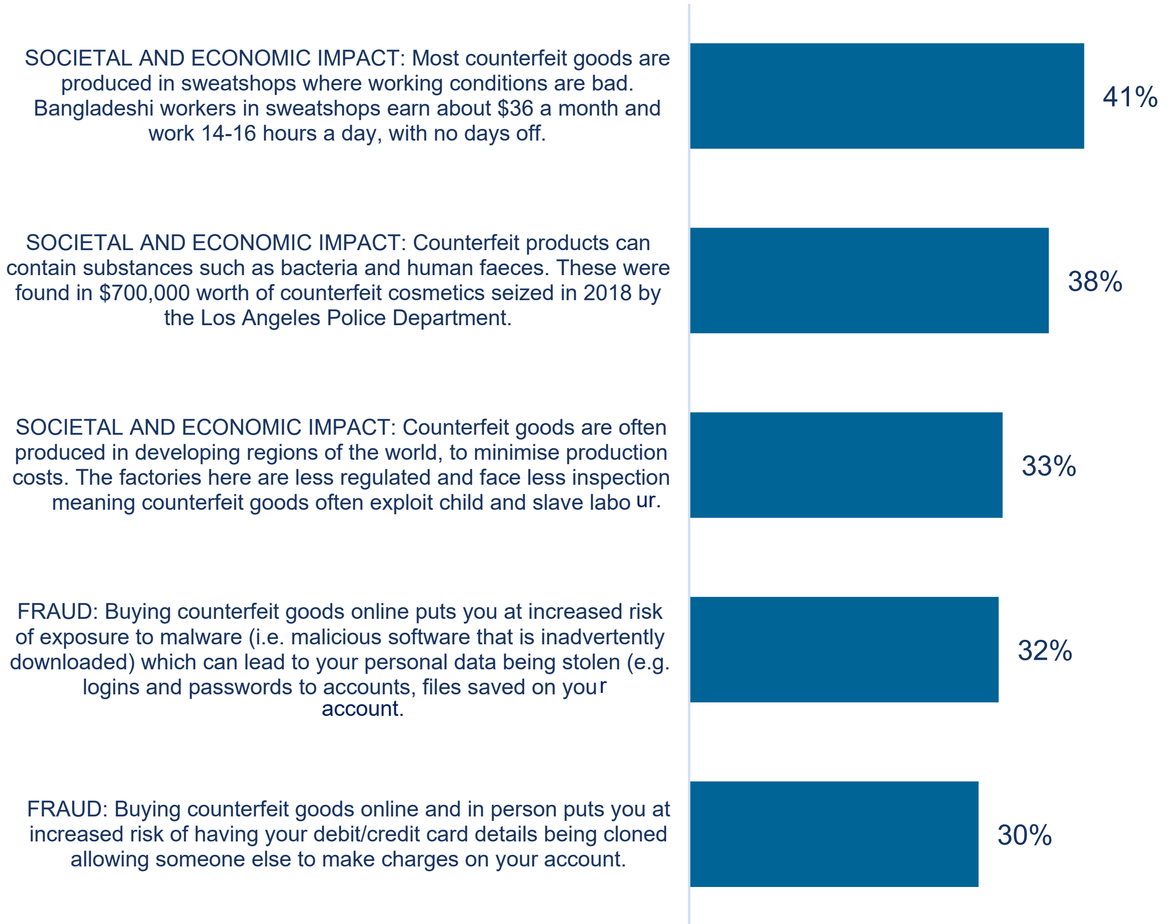
We allocated respondents from the message testing stage of the research into the three segments. This allowed us to find out the most effective messaging in persuading each segment not to purchase counterfeit goods.

There were some similarities in terms of what messaging was most effective for the Light and Moderate segments. The top three pieces all related to societal and economic impact with the most effective for each of them relating to the use of sweatshops in the production of counterfeit goods.

While the top two reasons were also the same for the Heavy counterfeit purchasers, they were selected by a smaller proportion of respondents in this segment. Interestingly, they were more than twice as likely than the other two segments to select environmental messaging relating to the need to replace counterfeit goods more often leading to increased waste.

### 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 (ranks 1-3 combined).

#### Light counterfeit purchasers

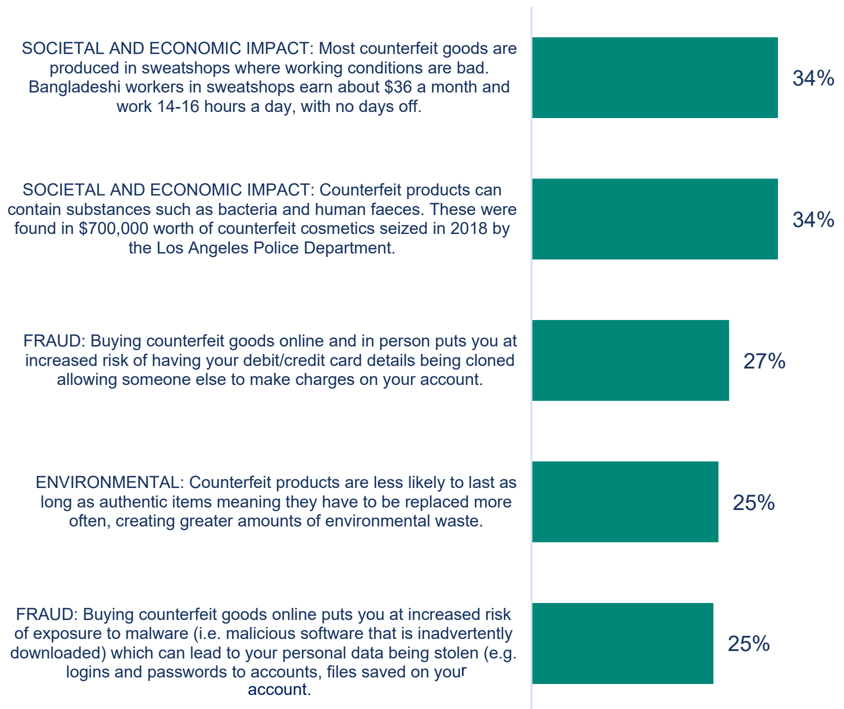



*Base: Light counterfeit purchasers segment (n=390)*

## Moderate counterfeit purchasers


*Base: Moderate counterfeit purchasers segment (n=340)*

## Heavy counterfeit purchasers




*Base: Heavy counterfeit purchasers segment (n=223)*

## Feedback on environmental messaging

**Message 1:** Many counterfeit products are made as cheaply as possible which often means they are produced in less sustainable ways than authentic products. Therefore, counterfeit products undermine any investments made by authentic brands in more sustainable and environmentally friendly supply chains (e.g. using less plastic etc.).

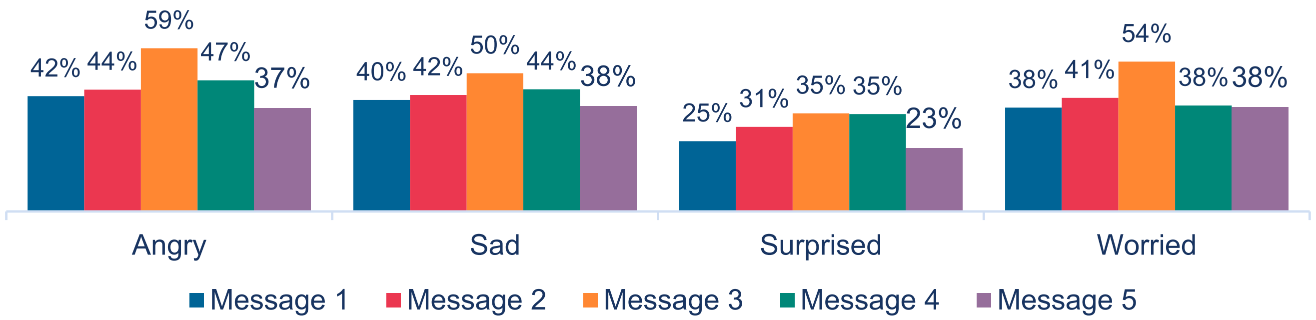
**Message 2:** With no regulation of counterfeit goods, it is impossible to hold manufacturers of these goods to account on CO2 emissions or waste. Manufacturers of authentic goods are more strictly controlled and face consequences (e.g. fines, prosecution) if found to be in violation of environmental regulations.

**Message 3:** There have been numerous examples where raids on counterfeit manufacturers have found toxic and harmful chemicals amongst the ingredients of products.

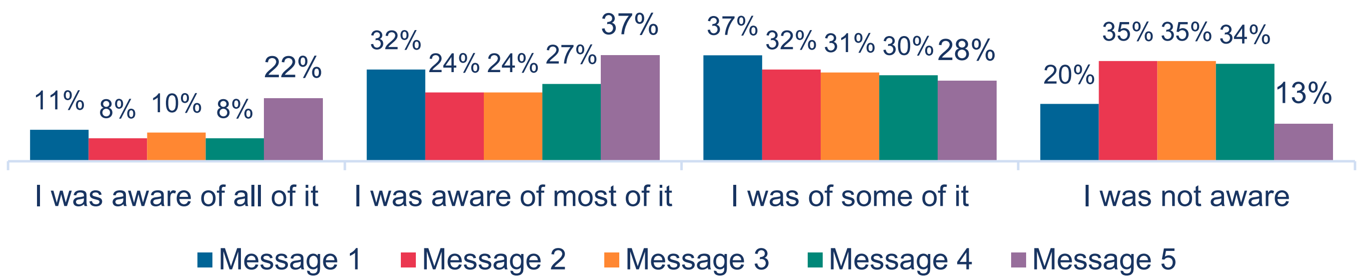
**Message 4:** Authorities are required by law to seize counterfeit goods and dispose of them. Authorities recycle and reuse as much material from seized counterfeits as possible but many simply have to be destroyed which produces high levels of carbon emissions and landfill.

**Message 5:** Counterfeit products are less likely to last as long as authentic items meaning they have to be replaced more often, creating greater amounts of environmental waste.

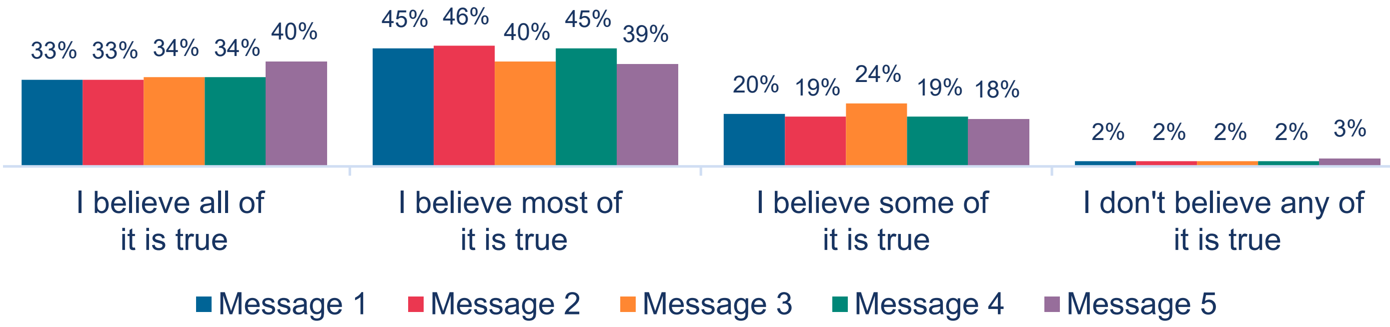
### Thinking about the information we just showed you, how much did you feel any of the below emotions?



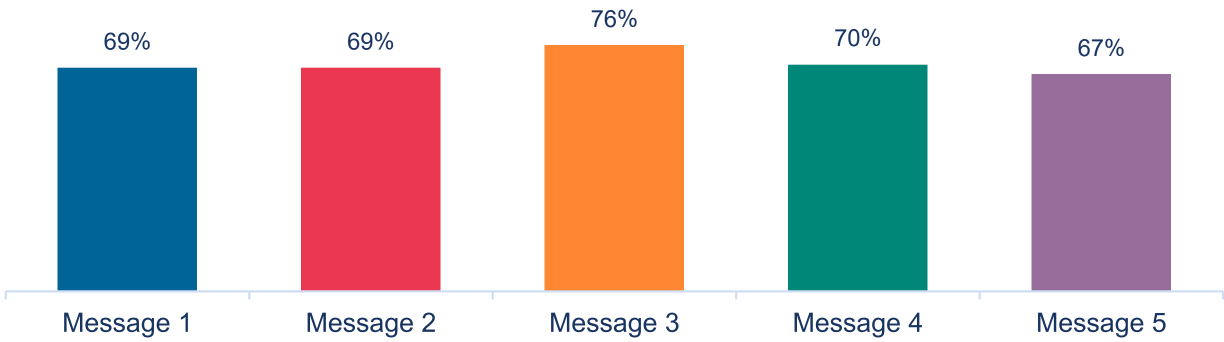

### Were you previously aware of the information we showed you?



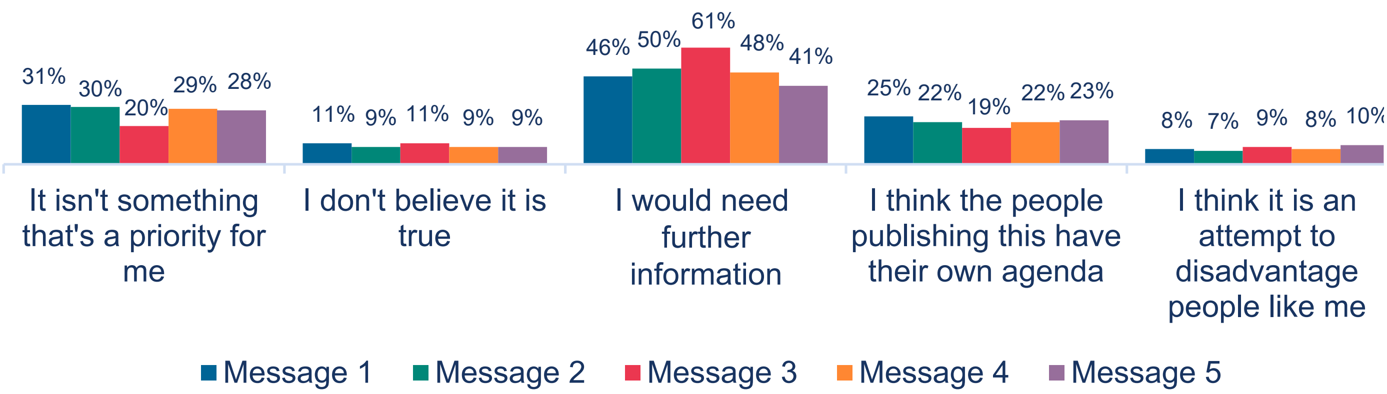
**Which of the following statements best describes how you feel about this piece of information?**




**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? (Somewhat and very likely)**




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




*Base: Total sample (n=1,000)*

## Why environmental messaging was effective

**Message 1**

- *"Counterfeit products undermine any investments made by authentic brands in more sustainable and environmentally friendly supply chains (e.g. using less plastic etc.)."*
- *"I try my hardest to be as environmentally sustainable as possible and hearing that counterfeit products are damaging to the planet is a really strong reason as to why I wouldn't buy them."*

**Message 2**

- *"I find this argument believable, unlike many of the others."*
- *"Regulations are very important and set a standard everyone should stand by."*
- *"It uniquely applies to counterfeit goods, whereas some of the other statements could also be said for lots of other cheaply made products."*

**Message 3**

- *"Toxic and harmful gets peoples attentions as it shows that these goods can do real damage. Also, mentioning raids does the same."*
- *"If it makes you think the product that you're buying is toxic, which directly negatively affects you personally, then it would definitely dissuade people from buying it."*
- *"It impacts the consumer directly, so they are more likely to be emotionally affected by it."*

**Message 4**

- *"I think it's impactful as it depicts the changing world, with recycling becoming the forefront of the future. We have to make sure to use things again and again, rather than to take more and more resources from the planet. Otherwise, there'll be no more resources to use."*
- *"More & more people are talking about the Environment & Carbon Emissions. So this type of advert sticks in people's minds better & sends a much clearer picture of what is really going on in the World today."*

**Message 5**

- *"Because it would encourage people to buy something that isn't counterfeit because people care about quality."*
- *"It just emphasises that counterfeits may be cheaper, but they won't last and have a negative impact on the environment."*

## Feedback on societal and economic impact messaging

**Message 6**: Counterfeit goods are often produced in developing regions of the world, to minimise costs of production. The factories here are less regulated and face less inspection meaning counterfeit goods often exploit child and slave labour.

**Message 7:** Most counterfeit goods are produced in sweatshops where working conditions are bad. Bangladeshi workers in sweatshops earn about $36 a month and work 14-16 hours a day, with no days off.

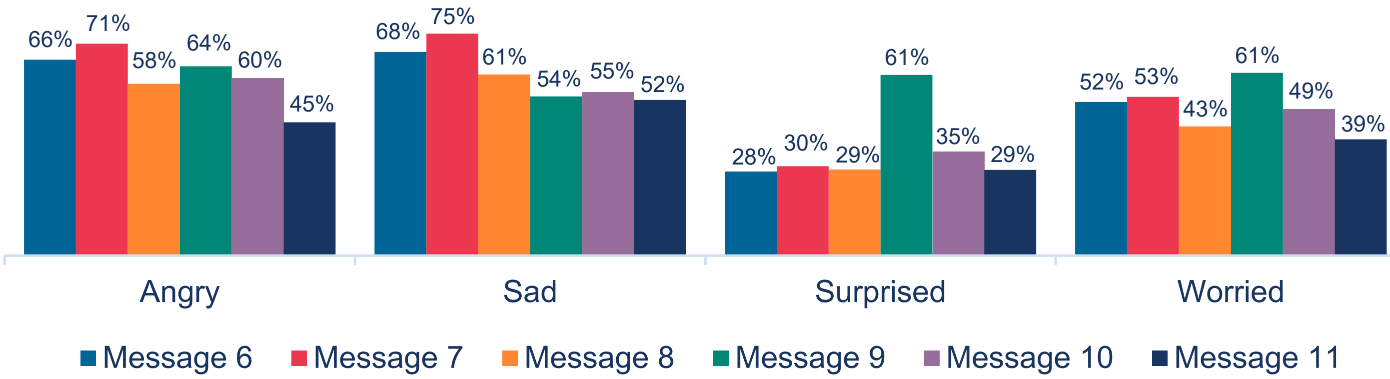
**Message 8:** It has been documented that migrants, who have been smuggled into a country by organised crime groups, are often forced into selling counterfeit goods.

**Message 9:** Counterfeit products can contain substances such as bacteria and human faeces. These were found in $700,000 worth of counterfeit cosmetics seized in 2018 by the Los Angeles Police Department.

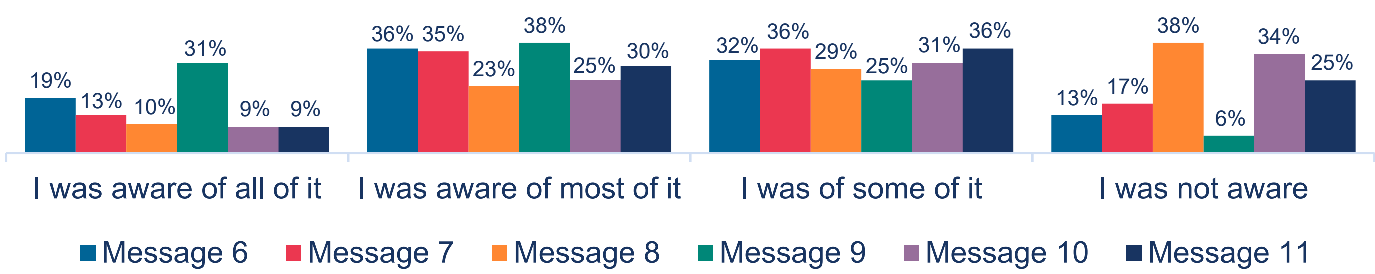
**Message 10:** Organized crime groups such as the Mafia and Camorra in Europe and the Triads and Yakuza in Asia are known for crimes varying from drug and human trafficking, to extortion and money laundering. These organisations have been found to have diversified into trafficking counterfeit goods and the proceeds from these fuel their other illegal businesses.

**Message 11:** With over 17,500 stores closing in the UK in 2020, buying counterfeits takes custom away from businesses which are already struggling with the impact of COVID-19.

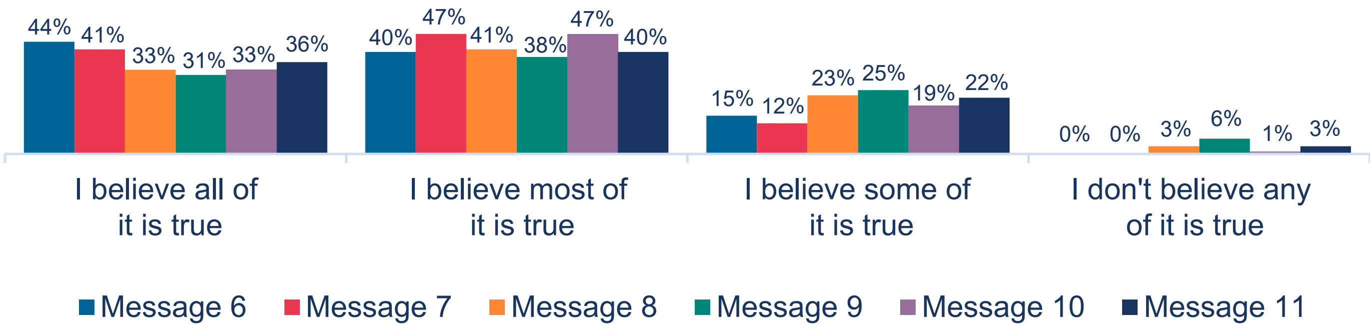
**Thinking about the information we just showed you, how much did you feel any of the below emotions?**



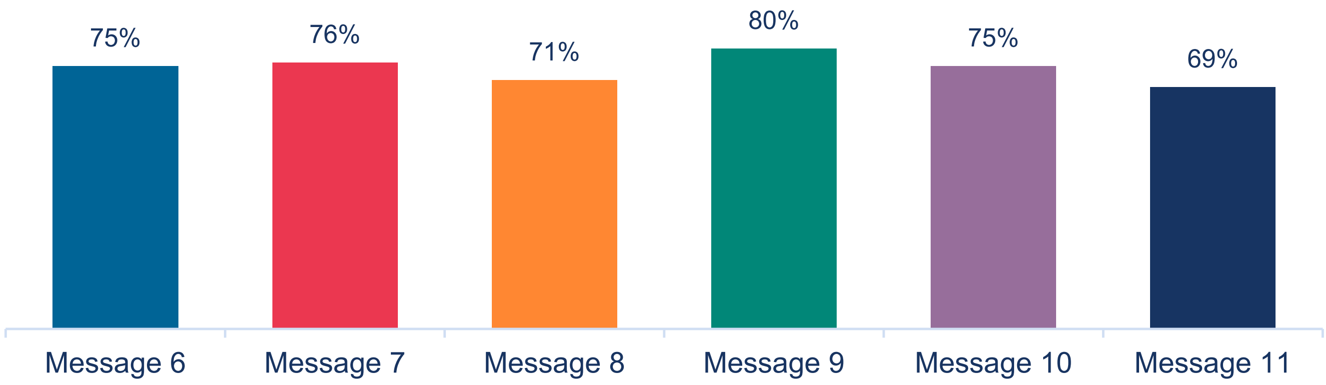

**Were you previously aware of the information we showed you?**



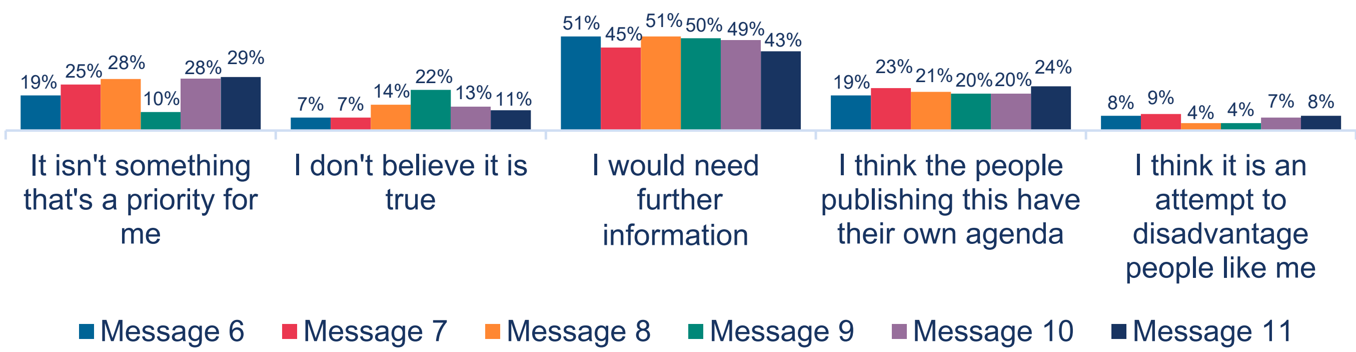
**Which of the following statements best describes how you feel about this piece of information?**




**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?**




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




*Base: Total sample (n=1,000)*

## Why societal and economic impact messaging was effective

**Message 6**

- *“This shows that although the customer saves money by buying a cheaper product that looks like the genuine product the cost to others is greater. Customers may not be aware, and they would be concerned that their purchase leads to child labour happening.”*
- *“The mention of child and slave labour is highly effective. It creates a strong emotional response by thinking about the people who are forced into working unpaid. I’m sure a lot of people don’t realise how many slaves there still are in the world.”*

**Message 7**

- *“Because it shows the direct impact it has on people who are being exploited and if I could help in any small way it would be by not buying these products.”*
- *“That people are working in incredibly poor conditions and mistreated in order to produce these goods. I would rather purchase from a company that treats its staff more ethically, even if I have to pay more.”*
- *“The fact that workers are having to endure long hours for very little pay. Everybody is entitled to decent working conditions and a living wage.”*

**Message 8**

- “This affects me as it is not right that people are making money by taking advantage of people that are less fortunate or not in a good position in their life. I would not like to support this kind of business.”
- “The emphasis on the human cost of counterfeiting strikes a chord with me.”

**Message 9**

- *“It feels much more personal as cosmetics are applied on the skin and so this fact is effective at deterring people from buying counterfeit products.”*
- *“Puts my health at risk, cosmetic products are usually used on the face and if the counterfeit products contain bacteria/human faeces, this is really off-putting and unhygienic.”*

**Message 10**

- *“Human trafficking is a huge issue and organised crime groups are powerful and difficult to fight. I did not realise they were involved in counterfeit production and would not want to buy something which benefits them.”*
- *“The fact that if you’re buying from these groups, you could be funding other illegal business operations which could mean you are impacting so many individuals lives and that could potentially lead to violent crimes or worse.”*

**Message 11**

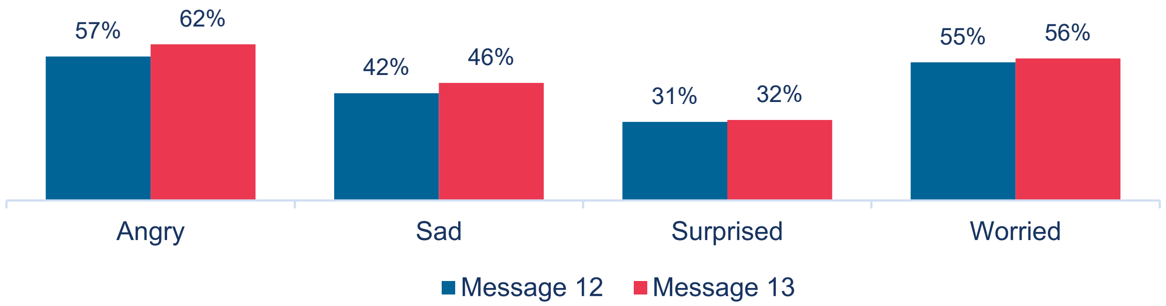
- *“Many UK stores have shut down meaning losses of jobs. This has an effect in families on whether they can pay their rent, bills or food. This also effects the children of those families. It also hurts our economy because they can no longer pay for goods.”*
- *“Because it hits hard at the heart of the British public. This has happened here in our country and will have an effect on us all, whether we worked for the stores that closed or not.”*

## Feedback on fraud messaging

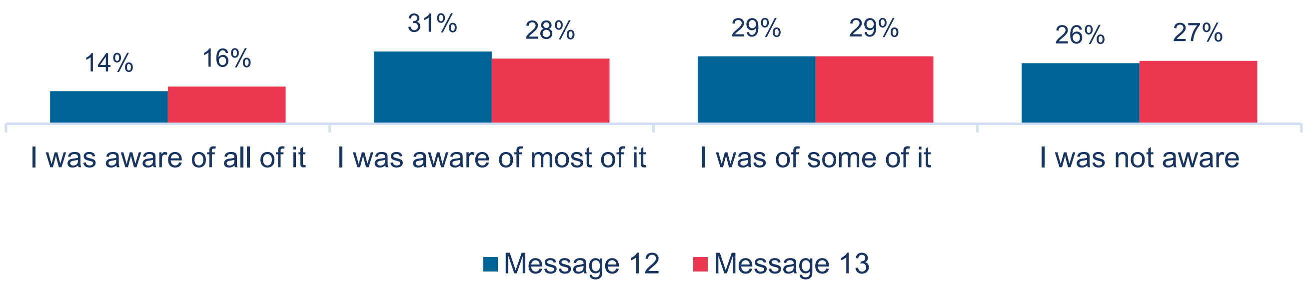
**Message 12:** Buying counterfeit goods online puts you at increased risk of exposure to malware (i.e. malicious software that is inadvertently downloaded) which can lead to your personal data being stolen (e.g. logins and passwords to accounts, files saved on your computer, information such as your date of birth and address).

**Message 13:** Buying counterfeit goods online and in person puts you at increased risk of having your debit/credit card details being cloned allowing someone else to make charges on your account.

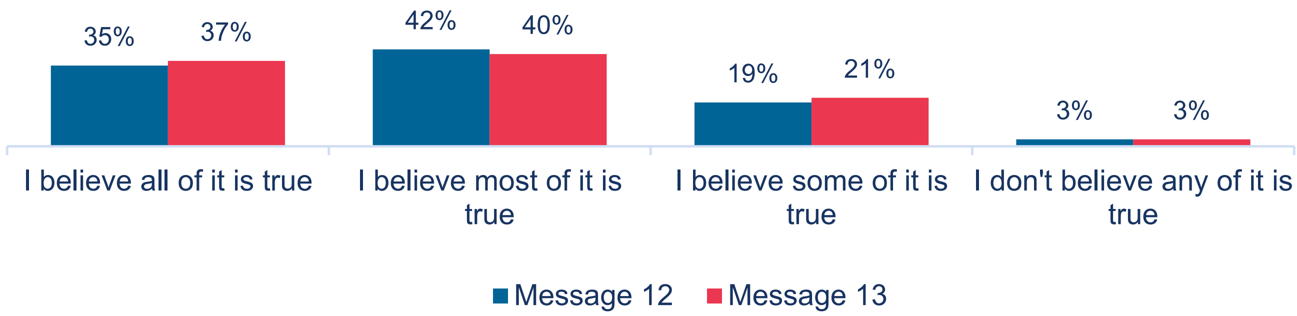
### Thinking about the information we just showed you, how much did you feel any of the below emotions?




### Were you previously aware of the information we showed you?

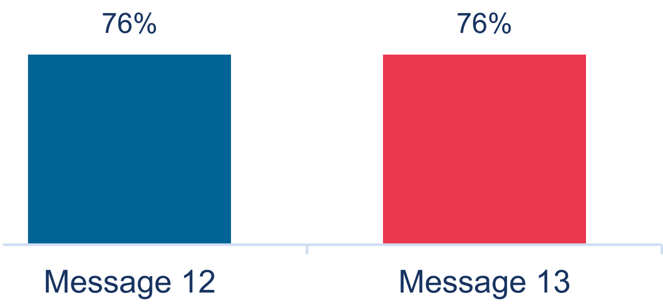



### Which of the following statements best describes how you feel about this piece of information?

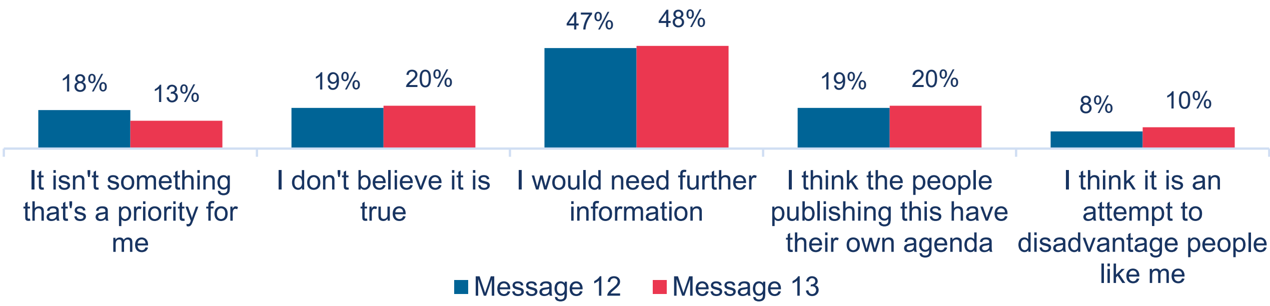



*Base: Total sample (n=1,000)*

**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? (Very and somewhat likely)**




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




*Base: Total sample (n=1,000)*

**Why fraud messaging was effective**

**Message 12**

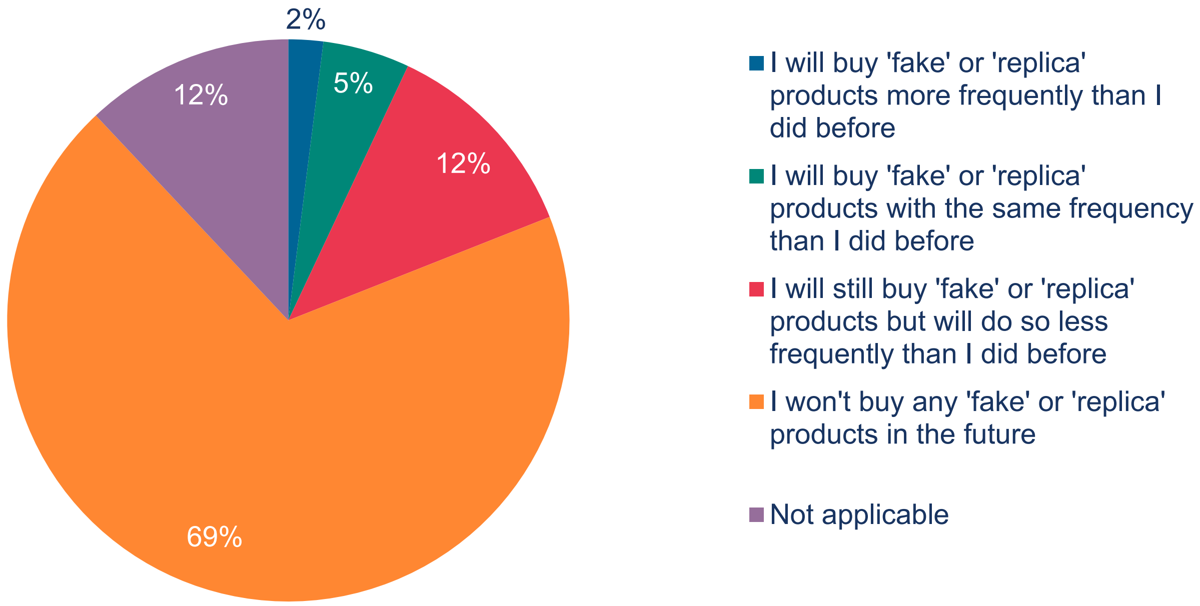
- *"The emphasis placed on personal vulnerability and safety - people could be hurt as a result of it."*
- *"The fact that you can have your finances stolen or even identity cloned makes me fearful of being abused, so steering clear of counterfeit goods is essential to prevent this."*

**Message 11**

- *"It is always a worry that someone might be able to get hold of your card details and knowing that these transactions are high risk would deter most people."*
- *"Because quite often buying counterfeit goods is all about it being cheaper to the customer but actually it could end up costing you so much more."*
- *"Card fraud is known to be a big issue, affecting many people and features a lot in the news so this issue is strikes me as being one of the more important ones."*

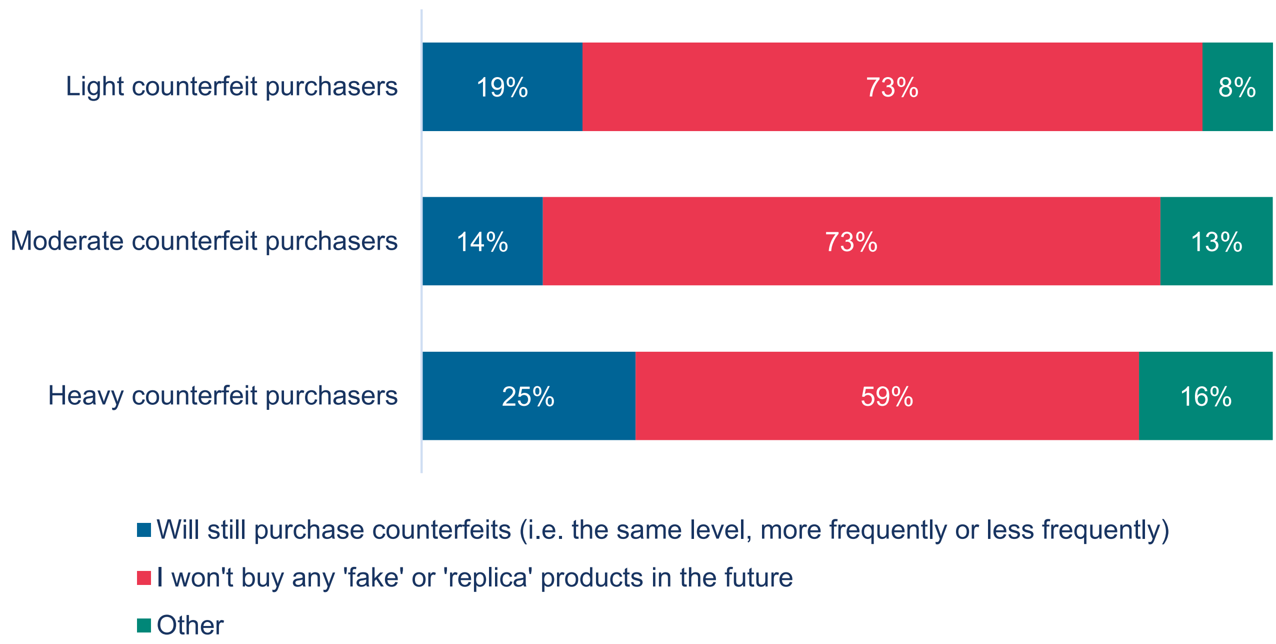
## Impact of messaging on consumers

Around seven in ten respondents (69%) indicated that they wouldn't purchase any counterfeit products in the future.




*Base: Total sample (n=1,000)*

Encouragingly, when looked at by segment, a majority from all segments said that they wouldn't purchase counterfeits in the future. There were more from the Heavy counterfeit purchasers segment who said they would still make counterfeit purchases (25%) compared to the other two segments (14-19%).




*Base: Total sample (n=1,000)*

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