Countering counterfeiting:
Managerial perceptions of consumer-directed anti-counterfeiting strategies

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**Abstract:**

Trade in counterfeit products continues to grow as brands become more and more central to society. Counterfeiters want to acquire their share of brand value. Despite the importance of fighting counterfeiting, the tools that companies use to do so are limited. Companies prefer to address counterfeiters, but fail to see the potential of engaging consumers in the fight against fakes. Thus, the aim of this study is to examine how (design) brand manufacturers use and perceive consumer-directed anti-counterfeiting measures (CAMs).

This paper presents a theoretical framework for a consumer-directed anti-counterfeiting strategy (CAS) that consists of three elements. First, counterfeiting is divided into deceptive and non-deceptive counterfeiting. Second, the goals of fighting counterfeiting are presented. These goals are related to the genuine product, the counterfeit product, or counterfeiting as an act. Lastly, individual CAMs are categorized into product, communication, distribution, and price-related ones.

For the empirical study, open-ended interviews with six Finnish design companies were conducted. The data was analysed based on the theoretical framework. The findings indicate that design companies apply strategic thinking to their fight against fakes. They acknowledge that buyers of deceptive and non-deceptive counterfeits need to be addressed differently. Nevertheless, they find deceptive counterfeiting far more significant than non-deceptive counterfeiting. The findings reveal a CAM not mentioned in existent literature, namely that of origin. Alongside high quality, customer service, and justifying price premiums, it is perceived as an effective CAM.

**Keywords:** Consumer-directed anti-counterfeiting measures (CAMs), Consumer-directed anti-counterfeiting strategy (CAS), Counterfeiting, Design companies
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1 INTRODUCTION

Trade in counterfeit products remains a thriving international business. According to the report by the European Union (EU) (2015), the value of the counterfeit products detained by the EU customs in 2014 was over 617 million euro. Top product categories by value included watches, clothing, and bags. According to the latest estimate by the Organisation for Economic Co-operation and Development (OECD) (2009), counterfeit trade could have amounted to up to 250 billion USD in 2007. This number does not include pirated digital products traded on the Internet or domestically produced and consumed products. Hence, the total amount of international counterfeit trade can easily be several hundred billion dollars more.

The majority of counterfeit products originate in emerging economies that have little effective legislation regarding counterfeiting (Grossman & Shapiro, 1988). For instance, a whopping 80 per cent of the counterfeit products detained by the EU customs in 2014 originated in China (EU, 2015). Counterfeiting is often seen as relatively acceptable in emerging economies (Nill & Shultz II, 1996), which makes the fight against fakes especially difficult in these areas. When contemplating counterfeiting, it is essential to keep in mind that it is a far more significant business than statistics imply. Studying counterfeiting is difficult because it is, by definition, illegal, and little reliable information regarding it is therefore available (Chaudhry, Zimmerman, Peters, & Cordell, 2009; Meraviglia, 2015).

Counterfeiting covers nearly all product categories, e.g. clothing and accessories, electronics, pharmaceuticals, foods, and auto parts (Grossman & Shapiro, 1988). Nevertheless, some product categories are more prone to counterfeiting than others (Jacobs, Samli, & Jedlik, 2001). These include prestige products, such as designer clothing (Grossman & Shapiro, 1988) that often rely on a strong brand image. The increasing demand for branded products is one of the key reasons for the continuance of counterfeit trade (e.g. Bush, Bloch, & Dawson, 1989; Nill & Shultz II, 1996; Yang, Sonmez, & Bosworth, 2004). As Cesareo & Stöttinger (2015) argue, many consumers wish to acquire the prestige associated with brands but cannot afford genuine products. Thus, they turn to counterfeits.

Counterfeiting is a violation against intellectual property, an asset that is acquired through considerable investments in brand management, research and development, and innovation (Staake, Thiesse, & Fleisch, 2009; Cho, Fang, & Tayur, 2015). Through
trademarks, copyrights and patents, brand manufacturers acquire protection for these investments (Harvey, 1988; Grossman & Shapiro, 1988). Counterfeiting invalidates this protection, leaving brand manufacturers with few incentives to engage in innovation in the first place (Grossman & Shapiro, 1988; Nill & Shultz II, 1996). This is damaging not only to brand manufacturers themselves, but also to society (Nill & Shultz II, 1996). Society is further harmed because of the tight connections of counterfeiting to organised crime (Meraviglia, 2015). Consumers can experience the dangers of counterfeit products through the serious health and safety problems they cause (Harvey, 1988; Lybecker, 2007) or simply through their poor quality (Grossman & Shapiro, 1988).

Counterfeiting decreases the revenues and profits of brand manufacturers (Bloch, Bush, & Campbell, 1993; Yang et al., 2004; Lybecker, 2007; Chaudhry et al., 2009; Zhang, Hong, & Zhang, 2012). Losses in brand image and reputation are, however, even more damaging than the monetary effects of counterfeiting (e.g. Harvey & Ronkainen, 1985; Bloch et al., 1993). In the worst case, consumers will believe a low-quality fake to be a genuine product and begin to associate the brand manufacturer with bad quality (Grossman & Shapiro, 1988; Harvey, 1988; Bush et al., 1989). For these reasons, marketers need to pay closer attention to the damaging phenomenon that is counterfeiting. One way of tackling it is to ensure that consumers no longer feel the desire or need to buy counterfeits.

1.1. Research problem

Counterfeiting has yet to establish itself as an independent stream of research. The subject has been studied from numerous perspectives, including management, logistics, and law, but few articles have addressed it from a purely marketing perspective. The articles that have adopted a marketing perspective focus mainly on consumer behaviour and the reasons why consumers buy counterfeits (e.g. Bloch et al., 1993; De Matos, Ituassu, & Vargas Rossi, 2007). Counterfeiting has, however, a strong impact on issues such as brand image and reputation, which is why it should be studied in a marketing context. Existent literature on counterfeiting can be divided into six main branches, as described by Staake et al. (2009). This division is illustrated in Figure 1.
General descriptions of the phenomenon are especially popular among early articles (e.g. Kaikati & LaGarce, 1980; Harvey, 1987; Harvey, 1988) that focus on providing a broad view on counterfeiting. Impact analyses focus on both the economic (e.g. Grossman & Shapiro, 1988) and commercial (e.g. Zhang et al., 2012) effects of counterfeiting. Supply side investigations are few because of the difficulty of acquiring information on counterfeiters (Staake et al., 2009). Some descriptions of the illicit supply side (e.g. Harvey & Ronkainen, 1985; Staake, Thiesse, & Fleisch, 2012) are, however, available. When looking at the number of articles published, the most popular topic is demand side investigations. These articles focus mainly on consumers’ purchase intentions (e.g. Cordell, Wongtada, & Kieschnick, 1996; Albers-Miller, 1999; Eisend & Schuchert-Güler, 2006; Wilcox, Kim, & Sen, 2009; Randhawa, Calantone, & Voorhees, 2015) and their attitudes towards counterfeiting (e.g. Tom, Garibaldi, Zeng, & Pilcher, 1998; De Matos et al., 2007). Legal issues and legislative concerns (e.g. Jain, 1996) focus mainly on intellectual property rights. Managerial guidelines to avert counterfeiting (e.g. Shultz II & Saporito, 1996; Berman, 2008) discuss available anti-counterfeiting measures for brand manufacturers from a strategic perspective.

Based on their study on brand manufacturers’ perceptions of the effectiveness of anti-counterfeiting measures, Chaudhry et al. (2009) claim that the most popular measure is to look after one’s intellectual property rights i.e. register one’s trademarks, patents and copyrights. Legal measures targeted at counterfeiters are undoubtedly important but by no means sufficient. Someone will always answer an existing demand for counterfeits (Bloch et al., 1993), which is why focusing on the supply side of
counterfeiting is not an adequate solution. To add to the problem, the internet has enabled an increasing demand for counterfeits among consumers that previously had little or no chance of buying fakes (Cesareo & Stöttinger, 2015). Internet-related players that have allowed the counterfeit market to grow include auction sites and online stores (Berman, 2008). In addition, counterfeiters operating on the internet are increasingly harder to trace (Cesareo & Stöttinger, 2015). Internet-spurred difficulties of affecting the online supply of counterfeits make it even more important to focus on the demand side.

Looking more closely into the strategic guidelines to avert counterfeiting, they tend to focus on all other stakeholders but consumers. E.g. Stevenson & Busby (2015) and Zhang & Zhang (2015) discuss how counterfeiting can be countered through the licit supply chain. Only a few studies (e.g. Chaudhry, Cordell, & Zimmerman, 2005; Chaudhry et al., 2009; Cesareo & Stöttinger, 2015) have acknowledged the significance of the role of the consumer in the fight against fakes. Indeed, Amine & Magnusson (2007) argue that most anti-counterfeiting strategies have failed because they have not considered consumers a relevant stakeholder. This shows a clear gap in both the academic and practical knowledge of which strategies brand manufacturers can and should employ to counter counterfeiting. This study aims to contribute to the filling of that gap.

It should be noted that raising awareness of counterfeiting among consumers has not managed to suppress the demand for counterfeits (Herstein, Drori, Berger, & Barnes, 2015). This indicates that the current use of consumer-directed anti-counterfeiting measures (CAMs) is ineffective. As described by Cesareo & Stöttinger (2015, p.528), CAMs are defined as “online or offline measures intended to dissuade consumers from buying counterfeits and encourage them to become advocates against fakes”. Some studies (e.g. Yang, Fryxell, & Sie, 2008; Chaudhry et al., 2009) have addressed the perceived effectiveness of individual anti-counterfeiting measures, but only Cesareo & Stöttinger (2015) have focused exclusively on CAMs. Thus, an in-depth understanding of the perceived effectiveness of CAMs is still lacking.

The study of Cesareo & Stöttinger (2015) differentiates between CAMs and acknowledges the different reasons for why consumers buy counterfeits. However, the scope of their study is limited in the sense that it only covers a narrow product category, namely that of luxury products. More research on how CAMs are used and perceived in different industries is needed in order to find out whether there are differences between
industries and product categories. This study aims to answer that need by focusing exclusively on design brand manufacturers.

This study focuses on design brand manufacturers because the industry that they operate in manifests the phenomenon of counterfeiting more intensely than other industries. For instance, of all the counterfeits detained by the EU customs in 2014, top product categories by value included watches, clothing, and bags (EU, 2015). Designer products carry a high level of prestige but are usually technologically relatively simple, which makes them an ideal target for counterfeiters. Thus, design brand manufacturers are likely to have experienced counterfeiting and fought it in one way or another.

Lastly, the geographical scope of the study of Cesareo & Stöttinger (2015) is limited. It focuses only on two locations, those of Italy and Hong Kong. More information is needed from different parts of the world in order to find out whether there are national differences as to how individual CAMs are used and perceived. By studying Finnish design brand manufacturers, this study sheds light on how CAMs are used and perceived in Finland, a country that could be characterised as a high-cost, highly industrialised location.

1.2. Aim of the study

The aim of this study is to examine how (design) brand manufacturers use and perceive consumer-directed anti-counterfeiting measures (CAMs).

The research aim is further divided into two research questions. These are stated as follows:

1) What consumer-directed anti-counterfeiting measures (CAMs) do brand manufacturers find effective against deceptive counterfeiting?

2) What consumer-directed anti-counterfeiting measures (CAMs) do brand manufacturers find effective against non-deceptive counterfeiting?

1.3. Delimitations

This study is delimited to design brand manufacturers. Design brand manufacturers were chosen as the focus of this study because they represent a clear and distinct industry among all the industries that experience counterfeiting. The design industry and especially the products that it produces are characterised by a high level of prestige,
brand image and aesthetics. Because of the special features of this industry and the products that it produces, the results of this study may not be applicable to other industries or product categories such as pharmaceuticals or auto parts that are generally characterised for instance by technological complexity instead of prestige and aesthetics.

Due to the scope of this study, it is limited to Finnish brand manufacturers. Although most of these brand manufacturers operate internationally, there may be differences as to how Finnish brand manufacturers fight counterfeiting compared to other nationalities. Finnish brand manufacturers might be affected e.g. by their relatively small size or their level of internationalisation. Hence, the perceived effectiveness of anti-counterfeiting strategies may vary depending on what resources are available and what audience the strategies are targeted at.

This study focuses on perceived effectiveness instead of actual effectiveness. Because the focus of this study is on managerial perceptions, its findings regarding efficiency may not reflect the actual efficiency of CAMs. Measuring actual efficiency would have required the gathering of consumer data, which due to the scope of this study was not possible. Hence, the results of this study may differ from those that represent consumer perceptions or consumer behaviour.

1.4. Key concepts

Certain concepts are used often throughout this study. These concepts are explained in detail in the following.

The company whose products are counterfeited is referred to as brand manufacturer, as stated by Cesareo & Stöttinger (2015).

Cesareo & Stöttinger (2015) refer to brand manufacturers’ anti-counterfeiting activities targeted at consumers as consumer-directed anti-counterfeiting measures (CAMs). According to them, these measures are defined as follows:

“Online or offline measures intended to dissuade consumers from buying counterfeits and encourage them to become advocates against fakes” (Cesareo & Stöttinger, 2015, p.528).

In existent literature, the terms counterfeiting (e.g. Grossman & Shapiro, 1988; Yang & Fryxell, 2009; Cesareo & Stöttinger, 2015) and piracy (e.g. Kaikati & LaGarce, 1980; Jacobs et al., 2001; Yang et al., 2004; Yang et al., 2008) are used fairly interchangeably.
For the sake of clearness, only the term **counterfeiting** and its derivatives are used in this study. The term is defined in detail as follows:

“Trade in goods that, be it due to their design, trademark, logo, or company name, bear without authorization a reference to a brand, a manufacturer, or any organization that warrants for the quality or standard conformity of the goods in such a way that the counterfeit merchandise could, potentially, be confused with goods that rightfully use this reference” (Staake et al., 2009, p.322).

The product being counterfeited is referred to as **genuine product**, as stated by e.g. Chaudhry et al. (2005), Chaudhry et al. (2009), and Kim & Johnson (2014).

1.5. **Structure of the paper**

This paper is divided into four distinct parts. These include literature review, methodology section, results of the empirical study, and the discussion and analysis of the findings as well as their implications.

The literature review (chapter 2) starts with a discussion of the existence of deceptive and non-deceptive counterfeits. Next, the concept of CAMs is put into the context of all anti-counterfeiting measures. The literature review continues with a thorough explanation of available CAMs. First, all studies addressing CAMs as an individual stream of measures, are discussed. Second, CAMs are divided into four categories that include product-related CAMs, communication-related CAMs, distribution-related CAMs, and price-related CAMs. Each category is discussed in detail. Next, the goals of adopting different CAMs are identified. CAMs and their goals are then combined to see how the effectiveness of CAMs is perceived. Finally, the literature review ends with a theoretical framework for a consumer-directed anti-counterfeiting strategy (CAS) that enables the assessment of the effectiveness of CAMs.

In the methodology section (chapter 3), the choice of method is discussed in relation to the aim of the study. Open-ended interviews were chosen as the most appropriate method because they allow the understanding of the perceptions of brand manufacturers. The informants include the representatives of six Finnish design brand manufacturers operating in the fields of clothing, footwear, bags, jewellery, furniture, and home decoration. The methodology section includes the interview guide design as well as a presentation of how the interview data were analysed. Lastly, a discussion on the quality of the research is presented.
The results section (chapter 4) consists of the findings of the empirical part of this study. The ways in which CAMs are used and perceived are first discussed in the general context of anti-counterfeiting measures. Next, brand manufacturers’ perceptions of individual CAMs are discussed with the help of their classification into product-related CAMs, communication-related CAMs, distribution-related CAMs, and price-related CAMs. Lastly, the findings related to the goals of CAMs are introduced.

In chapter 5, the findings of the empirical part of this study are analysed and discussed in relation to the theoretical framework presented in the literature review. The CAMs that brand manufacturers perceive as the most effective are compared to the ones that existent literature on counterfeiting focuses on. A distinction between the perceived effectiveness of CAMs related to deceptive counterfeiting and CAMs related to non-deceptive counterfeiting is made. The conclusions chapter includes also a discussion on the theoretical and managerial implications of this study. Next, the limitations of this study as well as suggestions for further research are presented. Finally, the paper ends with concluding remarks.
2 USING CAMS TO COUNTER COUNTERFEITING

This chapter focuses on the CAMs that have been identified in past literature and the factors that influence their effectiveness. It starts with chapter 2.1, in which the existence of both deceptive and non-deceptive counterfeits is discussed. In chapter 2.2, the overall context of anti-counterfeiting measures and the role of CAMs in it are discussed. In chapter 2.3, all available CAMs are presented. First, the studies that have acknowledged the existence of CAMs are covered. Second, the four different categories of CAMs, including product-related CAMs (chapter 2.3.1), communication-related CAMs (chapter 2.3.2), distribution-related CAMs (chapter 2.3.3), and price-related CAMs (chapter 2.3.4), are discussed successively. In chapter 2.4, the goals related to CAMs are identified. The link between CAMs and their goals is further discussed in chapter 2.5, in which the effectiveness of CAMs is contemplated. In chapter 2.6, existent literature on CAMs is summarized in order to develop a theoretical framework for a consumer-directed anti-counterfeiting strategy (CAS). The framework is presented in chapter 2.6.1.

2.1. Deceptive and non-deceptive counterfeits

One of the most essential factors affecting the use of CAMs is the existence of deceptive and non-deceptive counterfeits. Grossman & Shapiro (1988) are the first to distinguish between the two concepts. The purchaser of a deceptive counterfeit is made to believe that they are purchasing a genuine product when in reality they are buying a counterfeit. As for non-deceptive counterfeits, the purchaser of such a product is fully aware of the fact that the product they are obtaining is a fake. Separating between CAMs that are targeted at buyers of deceptive counterfeits and CAMs that are targeted at buyers of non-deceptive counterfeits is essential when building a portfolio of effective CAMs (Nill & Shultz II, 1996; Shultz II & Saporito, 1996; Cho et al., 2015). The differences between deceptive and non-deceptive counterfeits are presented in Table 1.
Deceptive counterfeits exist because consumers are imperfectly informed (Grossman & Shapiro, 1988). They often pose a threat to the health and safety of the consumer (Shultz II & Saporito, 1996; Green & Smith, 2002). Typical deceptive counterfeits include pharmaceuticals (Shultz II & Saporito, 1996) and alcohol (Green & Smith, 2002). Cho et al. (2015) state that the price of a deceptive counterfeit is often the same as that of a genuine product. It appears to be of good quality but this is usually just an illusion. According to Cho et al. (2015), deceptive counterfeiting can be fought effectively by raising the price of the genuine product and lowering its quality.

Non-deceptive counterfeits are often copies of prestige products that carry a strong brand image (Bloch et al., 1993; Nill & Shultz II, 1996). They include, for example, product categories such as clothing and accessories. They cause little risk to the health and safety of the consumer (Amine & Magnusson, 2007). The buyers of non-deceptive counterfeits can be called accomplices because they comply with counterfeiters’ wishes (Bloch et al., 1993; Amine & Magnusson, 2007). Accomplices are often more concerned with the appearance of a product rather than its ability to function properly (Bush et al., 1989; Bloch et al., 1993). According to Cho et al. (2015), when countering non-deceptive counterfeiting, the quality of the genuine product should be enhanced and the price reduced.

### 2.2. Fighting counterfeiting on all fronts

Anti-counterfeiting measures are typically classified and divided into categories according to what parties they involve. In their early article, Bush et al. (1989) introduce a division of anti-counterfeiting measures into three categories, the first of which includes international organization-lead cooperative measures that are meant to affect counterfeiting proactively. The second category consists of legal measures that

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**Table 1  Characteristics of deceptive and non-deceptive counterfeits (compiled from e.g. Grossman & Shapiro, 1988; Bush et al., 1989; Bloch et al., 1993; Nill & Shultz II, 1996; Shultz II & Saporito, 1996; Green & Smith, 2002; Amine & Magnusson, 2007; Cho et al.; 2015)**

<table>
<thead>
<tr>
<th>Deceptive counterfeits</th>
<th>Non-deceptive counterfeits</th>
</tr>
</thead>
<tbody>
<tr>
<td>* Often pose a threat to the health and safety of the consumer*</td>
<td>* Do not often pose a threat to the health and safety of the consumer*</td>
</tr>
<tr>
<td>* Typical product categories include pharmaceuticals and alcohol*</td>
<td>* Typical product categories include clothing*</td>
</tr>
<tr>
<td>* Price often the same as that of the genuine product*</td>
<td>* Prestige products that carry a strong brand image*</td>
</tr>
<tr>
<td>* Appear to be of good quality*</td>
<td>* Purchasers more concerned with product appearance than functionality*</td>
</tr>
</tbody>
</table>
brand manufacturers can take to affect counterfeiters reactivity. The third category includes strategic marketing-related measures that are targeted at both the supply and demand sides of counterfeiting. This paper focuses on the strategic marketing-related measures that companies use against the demand side of counterfeiting.

Chaudhry et al. (2009) present a more detailed classification, dividing anti-counterfeiting measures into six categories. Each category represents the party it is targeted at. These parties include consumers, governments, distribution channels, international organisations, counterfeiters and the brand manufacturer. To expand the variety of available anti-counterfeiting measures, this paper will now dig deeper into the first category of Chaudhry et al. (2009), namely that of consumers. The primary focus will be on how consumers can be dissuaded from buying counterfeits and engaged in the fight against fakes.

2.3. **Consumer-directed anti-counterfeiting measures (CAMs)**

The concept of consumer-directed anti-counterfeiting measures (CAMs) is not yet commonly used in existent literature on counterfeiting, because few studies have conceptualised CAMs. The concept refers to a company’s anti-counterfeiting measures targeted at consumers, as described by Cesareo & Stöttinger (2015). Chaudhry et al. (2005) and Chaudhry et al. (2009) are among the first to identify CAMs as an independent category from other anti-counterfeiting measures. In their articles, they compile a set of available CAMs based on what measures have been suggested in previous literature. This set of CAMs is presented in Table 2.

**Table 2**  
Compilation of anti-counterfeiting measures targeted at consumers (amended from Chaudhry et al., 2005; Chaudhry et al., 2009)

<table>
<thead>
<tr>
<th>Target group</th>
<th>Measures</th>
</tr>
</thead>
</table>
| Consumers    | • Use special packaging and/or labeling  
|              | • Emphasize benefits of genuine product  
|              | • Provide lists of legitimate channel members  
|              | • Emphasize warranties and after-sale service  
|              | • Offer reduced price, related product lines  |

The compilation of Chaudhry et al. (2005) and Chaudhry et al. (2009) is a preliminary glimpse into the world of CAMs. It takes into consideration the different elements of CAMs, including product, communication, distribution channel, and price. Nevertheless, it does not offer a great array of tactic measures. Several articles (e.g. Nill
& Shultz II, 1996; Shultz II & Saporito, 1996) have identified additional measures that can be useful in the fight against fakes and that should therefore be incorporated into the list of available CAMs. These additional measures will be discussed in detail later on in this paper.

Cesareo & Stöttinger (2015) go further than Chaudhry et al. (2005) and Chaudhry et al. (2009) in their conceptualisation of CAMs. Based on what measures have been suggested in previous literature, they identify a wider array of individual CAMs and divide them into four categories. These categories include product-related CAMs, communication-related CAMs, distribution-related CAMs, and price-related CAMs. Cesareo & Stöttinger’s (2015) four-part categorisation and all individual CAMs included in it are presented in Table 3.

Table 3  Categorisation of CAMs (Cesareo & Stöttinger, 2015)

<table>
<thead>
<tr>
<th>CAMs typologies</th>
<th>CAMs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product-related CAMs</td>
<td>• Differentiate products as much as possible from counterfeit versions</td>
</tr>
<tr>
<td></td>
<td>• Create effective labeling and featured packaging</td>
</tr>
<tr>
<td></td>
<td>• Issue authentication certificates &amp; technologies</td>
</tr>
<tr>
<td></td>
<td>• Include access to additional benefits</td>
</tr>
<tr>
<td></td>
<td>• Offer related product lines (at lower prices)</td>
</tr>
<tr>
<td>Communication-related CAMs</td>
<td>• Emphasize quality and appearance to make consumers aware of the difference between original and fake</td>
</tr>
<tr>
<td></td>
<td>• Stress buying counterfeits as ethically questionable and unlawful</td>
</tr>
<tr>
<td></td>
<td>• Educate consumers how to spot fakes</td>
</tr>
<tr>
<td></td>
<td>• Create awareness for negative impact of counterfeits on society (child labor, human trafficking, etc.), personal (functional, social, health risk), and company consequences (reduced R&amp;D, job losses, etc.)</td>
</tr>
<tr>
<td></td>
<td>• Highlight the criminal aspect of counterfeits (link to organized crime, etc.)</td>
</tr>
<tr>
<td></td>
<td>• Educate consumers on the price structure of the original</td>
</tr>
<tr>
<td></td>
<td>• Promote the firm-consumer relationship</td>
</tr>
<tr>
<td>Distribution-related CAMs</td>
<td>• Provide warranties, guarantees, and after-sales service</td>
</tr>
<tr>
<td></td>
<td>• Provide lists of authorized retailers</td>
</tr>
<tr>
<td></td>
<td>• Display certificates within authorized dealerships</td>
</tr>
<tr>
<td></td>
<td>• Avoid distribution in ‘fake districts’</td>
</tr>
<tr>
<td>Price-related CAMs</td>
<td>• Reduce price gaps</td>
</tr>
</tbody>
</table>

Cesareo & Stöttinger’s (2015) categorisation is the most profound presentation of available CAMs in existent literature. It is the only one to separate between different types of CAMs instead of merely listing them one after another. For this reason, Cesareo & Stöttinger’s (2015) categorisation has been adopted as the basis for this study. The paper continues as follows. The CAMs are discussed, in detail, category by
category in the following order: product-related CAMs, communication-related CAMs, distribution-related CAMs, and price-related CAMs.

2.3.1. **Product-related CAMs**

One product-related CAM that is often mentioned in existent literature (e.g. Shultz II & Saporito, 1996; Cesareo & Stöttinger, 2015) is product differentiation. Product differentiation can be implemented through various means, including special product features (Yang & Fryxell, 2009; Cesareo & Stöttinger, 2015), reliability (Yang & Fryxell, 2009), and superior quality (Zhang et al., 2012). Depending on the amount of available resources, a brand manufacturer can focus on one or several means of differentiation. Harvey (1987) introduces an example of a clothing manufacturer taking on a new way of stitching. This type of measure is a cost-effective option for a brand manufacturer who does not have the ability to invest in expensive technological solutions.

Zhang et al. (2012) stress the importance of the quality of the genuine product outweighing that of the counterfeit. They argue that widening the gap between the quality of the genuine product and that of the counterfeit can be done either through enhancing the quality of the genuine product or lowering that of the counterfeit. Since lowering the quality of the counterfeit is usually difficult and requires a lot of effort, brand manufacturers prefer to enhance the quality of the genuine product. Based on their multinational study, Penz & Stöttinger (2008b) claim that consumers, in general, do not often see a substantial difference between the quality of a genuine product and that of a counterfeit. This finding suggests that brand manufacturers have not succeeded in differentiating genuine products through quality enhancement.

Penz & Stöttinger (2012) argue that on an emotional level, some consumers enjoy purchasing counterfeits and putting time and effort into finding a good deal. The positive emotions that arise from the process of purchasing a counterfeit do not, however, transfer to the actual product. In other words, consumers are not emotionally attached to the counterfeits they purchase, merely the purchasing experience. This is a substantial opportunity for brand manufacturers who can attempt to create an emotional bond to genuine goods. Cesareo & Stöttinger (2015) suggest offering limited product lines along permanent ones to appeal to the consumers that shop counterfeits for fun. They can be further engaged by inviting them to join the design process of the limited product lines. Providing additional benefits, such as special gifts, is also a way of fighting counterfeiting (Cesareo & Stöttinger, 2015).
In addition to product differentiation, product-related CAMs include authentication technologies (e.g. Harvey & Ronkainen, 1985; Berman, 2008; Yang et al., 2008; Cesareo & Stöttinger, 2015). Authentication technologies manifest themselves in the form of e.g. holograms (e.g. Yang et al., 2004; Yang et al., 2008), authentication certificates (Cesareo & Stöttinger, 2015), and serial numbers and codes (Yang et al., 2008; Cesareo & Stöttinger, 2015). Authentication technologies serve the purpose of allowing the consumer to distinguish a genuine product from a counterfeit (e.g. Shultz II & Saporito, 1996; Yang et al., 2004; Yang et al., 2008).

Shultz II & Saporito (1996) and Yang et al. (2004) highlight the problems associated with authentication technologies. At some point or another, counterfeiters usually find a way of copying the very technology that was intended to keep them at bay. Thus, authentication technologies need to be constantly upgraded and new ones developed (Yang et al., 2004). Consequently, brand manufacturers are often reluctant to discuss authentication technologies in detail, so as to not inform counterfeiters (Cesareo & Stöttinger, 2015). This makes studying the issue difficult.

A CAM closely related to authentication technologies is special product packaging (e.g. Yang et al., 2004; Chaudhry et al., 2005; Yang et al., 2008; Chaudhry et al., 2009; Stumpf & Chaudhry, 2010; Cesareo & Stöttinger, 2015). Special product packaging can mean, for example, the use of special prints (Lybecker, 2007) or small adjustments to an otherwise generic package, such as a beer can (Yang et al., 2004). The main purpose of special product packaging in relation to consumers is the same as that of authentication technologies, namely that of allowing the consumer to distinguish a genuine product from a counterfeit (e.g. Yang et al., 2008).

2.3.2. Communication-related CAMs

Drawing from what CAMs have been identified in past research, Cesareo & Stöttinger (2015) conclude that communication-related CAMs are the most popular. Nevertheless, according to Cesareo & Stöttinger (2015), brand manufacturers are hesitant towards using them due to the fear of making big investments without them yielding expected results. The expenses of implementing communication-related CAMs are often covered only after longer periods of time (Herstein et al., 2015), which is why brand manufacturers may fail to see the potential communication-related CAMs have.
Spreading awareness of counterfeiting among consumers is what communication-related CAMs are for the most part about, and advertising campaigns are a good way of achieving that (e.g. Harvey, 1987; Nill & Shultz II, 1996; Yang et al., 2004). Success in advertising campaigns requires a good understanding not only of the interests and abilities of the audience they are targeted at (Yang et al., 2004), but also of the product in question and its brand image (Nill & Shultz II, 1996). Advertising campaigns may receive more recognition if, in addition to the brand manufacturer, they engage governmental actors, non-governmental organisations, and consumers themselves (Yang et al., 2004). Cesareo & Stöttinger (2015) recommend inviting consumers to engage in the creation of anti-counterfeiting campaigns by asking them to share good experiences with genuine products and bad experiences with counterfeits.

Traditional channels for communication-related CAMs include television, radio and magazines (Cesareo & Stöttinger, 2015). These channels are notably one-way i.e. they consist of the brand manufacturer sending a message to the consumer. Yet one-way channels are becoming increasingly insufficient. As consumers become more and more central in creating brands and developing them (Penz & Stöttinger, 2008a), a need for two-way communication i.e. sending messages from the brand manufacturer to the consumer and vice versa increases.

One example of two-way communication is to encourage consumers to report counterfeits as they are detected (e.g. Lybecker, 2007). Consumers can be encouraged to report counterfeits either to authorities (Bush et al., 1989) or to brand manufacturers (Berman, 2008). Cesareo & Stöttinger (2015) argue that even though CAMs in general are not extremely popular among brand manufacturers, some have taken a big interest in communicating counterfeit-related issues through their websites. Websites enable two-sided communication between the brand manufacturer and the consumer better than traditional channels. According to Cesareo & Stöttinger (2015), websites are especially practical in allowing consumers to report counterfeits or to check whether a product they have purchased is genuine.

In relation to implementing communication-related CAMs, Amine & Magnusson (2007) suggest alternative channels, such as buzz marketing through consumers’ peers. This recommendation is in line with the notion of Cesareo & Stöttinger (2015) of future CAMs taking advantage of the possibilities offered by social media and blogs. Creating online and offline word-of-mouth through modern channels can be a powerful means of countering counterfeiting because consumers are receptive to the opinions of their
peers. Moreover, social media platforms can be used for additional purposes. Randhawa et al. (2015) suggest that brand manufacturers allow consumers to authenticate products via social media. Social media allows the brand manufacturer to externalise the authentication process, making it more difficult for the counterfeiter to disrupt it.

Harvey (1988) emphasizes the importance of tight connections to the media. Especially after a counterfeiting incident has been encountered, it is crucial for a brand manufacturer to be able to maintain control over what is written about it in the press. This requires a sound and trustworthy relationship with media representatives. For instance, focusing media attention on how the brand manufacturer responds to intellectual property violations shows to the public that the brand can still be trusted and to the counterfeiter that the violation is being taken seriously. The conceptions of Harvey (1988) reflect a world from almost 30 years ago, which is why they might not be applicable to the modern settings of the 21st century characterised by social media. Hence, the relevance of brand manufacturers’ ability to control media can be questioned. Brand manufacturers’ need for media presence might, however, be bigger than ever.

Communication-related CAMs can transmit numerous types of messages. Spreading awareness is hardly the only communication-related CAM identified by existent literature, and by no means the most relevant. In fact, Penz & Stöttinger (2008a) argue that most consumers already have a fairly good understanding of the difference between a genuine product and a counterfeit. Next, this paper will take a closer look at the vast array of themes that communication-related CAMs can focus on besides spreading awareness.

**Distinguishing a genuine product**

Communication can focus on educating consumers about how to distinguish a genuine product from a counterfeit (e.g. Bush et al., 1989; Green & Smith, 2002; Berman, 2008; Cesareo & Stöttinger, 2015). For example, consumers can be told that if a product lacks official labelling or is strangely packaged, it might be a counterfeit (Berman, 2008).

**Harmful effects**

Communication can focus on educating consumers about the harmful effects of counterfeiting (e.g. Bush et al., 1989; Chaudhry et al., 2009; Stumpf & Chaudhry,
2010). This type of communication is likely to reach especially the consumers that generally judge actions based on how much good or bad they cause (Nil & Shultz II, 1996).

Firstly, the brand manufacturer can focus on the effects of counterfeiting on the society where genuine products are produced. These effects include losses in tax revenues (e.g. Harvey, 1987; Yang et al., 2004; Berman, 2008; Chaudhry et al., 2009), unemployment (e.g. Harvey, 1987; Yang et al., 2004; Cesareo & Stöttinger, 2015), and declining competitiveness (Bloch et al., 1993). Secondly, the brand manufacturer can focus on the effects of counterfeiting on the society where counterfeits are produced. These effects include worker exploitation and the use of child labour (e.g. Shultz II & Saporito, 1996; Cesareo & Stöttinger, 2015), as well as the existence of organised crime (e.g. Shultz II & Saporito, 1996; Stumpf & Chaudhry, 2010; Cesareo & Stöttinger, 2015).

In its effects-related communication, the brand manufacturer can also focus on the effects of counterfeiting on itself (Cesareo & Stöttinger, 2015). These effects include decaying brand image (e.g. Harvey, 1988; Yang et al., 2004), decreasing customer loyalty (e.g. Harvey, 1988; Chaudhry et al., 2009), losses in revenues and profits (e.g. Chaudhry et al., 2009), and the costs of fighting counterfeiting (e.g. Harvey & Ronkainen, 1985; Chaudhry et al., 2009; Meraviglia, 2015). Lastly, the brand manufacturer can focus on the effects of counterfeiting on the consumer (Cesareo & Stöttinger, 2015). These effects include health and safety problems (e.g. Harvey & Ronkainen, 1985; Harvey, 1988; Cesareo & Stöttinger, 2015).

**Unlawfulness and unethicalness**

Communication can focus on educating consumers about the unlawfulness and unethicalness of counterfeit trade (e.g. Nil & Shultz II, 1996; Amine & Magnusson, 2007; Cesareo & Stöttinger, 2015). This type of communication is likely to promote social disapproval of buying counterfeits (Amine & Magnusson, 2007). According to Nil & Shultz II (1996), ethics-related communication will reach the majority of consumers because most consumers are concerned about what others perceive as acceptable. Penz & Stöttinger (2008a), on the other hand, argue that consumers do not refrain from buying counterfeits on ethical grounds, which questions the usefulness of ethics-related communication. Differences in the conceptions as to whether ethical reasoning is a useful CAM may indicate a need of targeting different messages to different audiences. According to the study of Kim & Johnson (2014), collectivistic
consumers might be best reached by focusing on messages that highlight the shame associated with buying counterfeits. By contrast, individual consumers might be more receptive to messages emphasizing the fact that buying genuine products is something to be proud of.

**Social responsibility**

Communication can focus on educating consumers about the socially responsible image of the brand manufacturer (Poddar, Foreman, Banerjee, & Ellen, 2012). This type of communication might reach socially conscious consumers who share a “Robin Hood mentality” (Nill & Shultz II, 1996) or harbour “anti-big business sentiments” (Cesareo & Stöttinger, 2015). As described by e.g. Penz & Stöttinger (2008b), these consumers are increasingly critical towards brand manufacturers and do not wish to support them. Because of their dislike, they rather buy counterfeits. Focusing on the unlawfulness of counterfeit trade or the damaging effects of it on the brand manufacturer does not resonate with these consumers because they do not sympathize with such issues (Nill & Shultz II, 1996). Some consumers see buying counterfeits also as a way of opposing a brand-centred culture (Penz & Stöttinger, 2012). Communicating the socially responsible image of the brand manufacturer may reach these consumers.

**Product superiority**

Communication can focus on educating consumers about the superiority of the genuine product as compared to the counterfeit (e.g. Cesareo & Stöttinger, 2015). Superiority can be based on product benefits (e.g. Chaudhry et al., 2005; Chaudhry et al., 2009; Stumpf & Chaudhry, 2010), high quality (e.g. Penz & Stöttinger, 2008a; Cesareo & Stöttinger, 2015), reliability (Yang & Fryxell, 2009), appearance (e.g. Cesareo & Stöttinger, 2015), and exclusivity (Randhawa et al., 2015). According to Randhawa et al. (2015), an exclusive brand image is essential because if a genuine product is perceived as exclusive, a counterfeit cannot offer the same experience. Additionally, communication can focus on additional benefits, such as the availability of customer service (e.g. Yang & Fryxell, 2009) or warranties (Chaudhry et al., 2005; Chaudhry et al., 2009; Stumpf & Chaudhry, 2010).

**Justifying price premiums**

Communication can focus on educating consumers about why a genuine product is more expensive than a counterfeit (Cesareo & Stöttinger, 2015). This requires
transparency from the brand manufacturer since consumers need to understand how the price of the genuine product is formed.

2.3.3. Distribution-related CAMs

According to existent literature on distribution-related CAMs, the most common one is to offer consumers a list of authorised retailers (e.g. Chaudhry et al., 2005; Chaudhry et al., 2009; Stumpf & Chaudhry, 2010; Cesareo & Stöttinger, 2015). Most brand manufacturers apply this measure through their websites, compiling lists of both online and offline retailers (Cesareo & Stöttinger, 2015). Proof of authenticity can be strengthened through displaying authentication certificates in authorised stores (Cesareo & Stöttinger, 2015). Other fundamental and widely adopted distribution-related CAMs include customer service (e.g. Yang & Fryxell, 2009) and warranties (e.g. Cesareo & Stöttinger, 2015).

Since retailers are in a direct and personal contact with consumers, they have a fundamental role in countering counterfeiting (Olsen & Granzin, 1992). Cesareo & Stöttinger (2015) and Randhawa et al. (2015) recommend special in-store privileges for loyal end customers. These include private sales and showrooms (Cesareo & Stöttinger, 2015), as well as having the opportunity to put products on hold for longer periods of time, an extended returns policy, and personal assistance during shopping (Randhawa et al., 2015). Less loyal, enjoyment-seeking customers can, on the other hand, be engaged by offering them the thrilling experience they are looking for through pop-up stores or special online features, such as styling tips (Cesareo & Stöttinger, 2015).

Consumers’ willingness to buy counterfeits can be reduced through public raids on counterfeit stores (Penz & Stöttinger, 2012). If a distinct counterfeiting incident is encountered, the brand manufacturer can also consider pulling out of the contaminated market. The French luxury brand Louis Vuitton implemented this strategy by withdrawing an aggressively counterfeited bag model from the Italian market (Kaikati & LaGarce, 1980). Alternatively, the brand manufacturer can avoid presence in places where counterfeits are commonly sold in the first place (Cesareo & Stöttinger, 2015).

2.3.4. Price-related CAMs

Price may well be the most significant factor in the fight against counterfeiting. This is because consumers buy counterfeits often because of their low price (e.g. Bush et al.,
1989; Bloch et al., 1993; Yang et al., 2004). Consequently, existent literature suggests lowering the price of the genuine product as a means of countering counterfeiting (e.g. Jacobs et al., 2001; Yang et al., 2004; Stumpf & Chaudhry, 2010). Price reductions may not, however, be a useful CAM among all product categories (Herstein et al., 2015). In fact, few brand manufacturers are willing to apply them out of the fear of threatening the prestigious brand image associated with high price (Cesareo & Stötttinger, 2015).

As an alternative to the lowering of the price of the genuine product, Chaudhry et al. (2005), Chaudhry et al. (2009), and Cesareo & Stötttinger (2015) suggest providing additional product lines that reduce the price gap between the genuine product and the counterfeit i.e. that are less expensive. Selling these product lines under a sister brand helps to distinguish them from the more expensive and prestigious parent brand (Cesareo & Stötttinger, 2015). Alternatively, product lines from previous years can be sold in special outlets at a discount (Herstein et al., 2015). Another means of lowering the price of the genuine product without violating its prestigious brand image is to offer second-hand options of genuine products at lower prices (Cesareo & Stötttinger, 2015; Herstein et al., 2015). Herstein et al. (2015) emphasize the potential of this measure to promote an ethical and sustainable corporate image.

2.4. Goals of CAMs

When assessing the perceived effectiveness of CAMs, criteria need to be set. One way of doing this is to set a goal for each CAM and assess how well that goal is accomplished. In other words, a CAM needs to reach its goal in order to be perceived as effective. As discussed earlier in this paper, one factor affecting the goal of a given CAM is whether the counterfeit is deceptive or non-deceptive. Existent literature is fairly ambiguous as to what goals can be set, and a widely accepted understanding is still lacking. Based on what goals have been discussed in articles focusing on CAMs, a set of goals is summarized in Figure 2.
What most brand manufacturers strive for, and what is therefore the ultimate goal of all CAMs, is decreasing the demand for counterfeits. This goal is mentioned by e.g. Nill & Shultz II (1996), Stumpf & Chaudhry (2010), Cesareo & Stöttinger (2015), and Herstein et al. (2015). Yang & Fryxell (2009) refer to the other side of same issue when emphasizing the need of CAMs to reduce the damages to the brand manufacturer caused by lost sales. Decreasing the demand for counterfeits is closely related to curbing their supply, which is another important goal in the overall fight against fakes (e.g. Shultz II & Saporito, 1996; Yang & Fryxell, 2009). Decreasing the demand for counterfeits is presented in the central part of Figure 2, highlighting its role as the final outcome of all other goals.

Decreasing the demand for counterfeits can be achieved through various sub-goals that are related to the genuine product, the counterfeit product or counterfeiting as an act. Firstly, brand manufacturers can aim to affect consumers’ purchase intentions i.e. their willingness to buy counterfeits (e.g. Chaudhry et al., 2009; Poddar et al., 2012). Secondly, brand manufacturers can aim to affect consumers’ willingness to buy genuine products (Cesareo & Stöttinger, 2015). The latter is an especially useful goal in the context of consumers that have the financial means to buy genuine products but that
still stick to counterfeits for one reason or another. Consumers that do not have the financial means to buy genuine products are harder to persuade into buying them.

A fairly common goal is to affect consumers’ attitudes towards counterfeiting (e.g. Amine & Magnusson, 2007; Herstein et al., 2015). Another side of the coin is to affect consumers’ emotions. Consumers should be made to feel loyal and passionate about the brand manufacturer (Cesareo & Stöttinger, 2015). As mentioned by Cesareo & Stöttinger (2015), CAMs should aim to strengthen consumers’ rational and emotional bond to the brand manufacturer and support their relationship to the brand. This can mean, for example, maintaining a good brand image (Yang & Fryxell, 2009). These goals are especially relevant in relation to purchasers of non-deceptive counterfeits.

When considering purchasers of deceptive counterfeits, the main goals of brand manufacturers should be to allow these consumers to distinguish a genuine product from a counterfeit (Cesareo & Stöttinger, 2015). E.g. Bush et al. (1989) discuss the goal of spreading awareness of counterfeiting among consumers. Despite having presumably been a useful goal in the past, spreading awareness may not be the most relevant goal today. Chaudhry et al. (2009) argue that according to brand manufacturers, consumers are widely aware of counterfeiting and they are also able to distinguish a genuine product from a counterfeit. For these reasons, CAMs might need to strive for other goals than simply spreading awareness and enabling to distinguish a genuine product from a counterfeit.

In the context of design brand manufacturers, prestige and a focus on building a strong brand image are common. Since the products of these types of brand manufacturers are typically exposed to non-deceptive counterfeiting (Bloch et al., 1993; Nill & Shultz II, 1996), their goals regarding CAMs have a clear focus. Instead of allowing customers to distinguish genuine products from counterfeits (Cesareo & Stöttinger, 2015), design brand manufacturers could be assumed to focus on building a rational and emotional bond between the brand manufacturer and their customers (Cesareo & Stöttinger, 2015). Consequently, additional goals would include affecting customers’ willingness to buy counterfeits (e.g. Chaudhry et al., 2009; Poddar et al., 2012) and genuine products (Cesareo & Stöttinger, 2015).
2.5. Effectiveness of CAMs

In existent literature on counterfeiting, identifying CAMs is far more common than measuring their effectiveness. Furthermore, studies on effectiveness tend to investigate what CAMs brand manufacturers (e.g. Bush et al., 1989; Chaudhry et al., 2009; Yang & Fryxell, 2009; Stumpf & Chaudhry, 2010; Cesareo & Stöttinger, 2015) and consumers (e.g. Poddar et al., 2012; Herstein et al., 2015) perceive as effective, rather than measuring the actual buying of counterfeits. Perceived effectiveness is also the focus of this study, because it enables us to find out whether the perceptions of brand manufacturers are in line with buying behaviour. Additionally, the perceptions of brand manufacturers can be compared with those of consumers.

Lowering the price of the genuine product is perceived as an effective CAM in at least two studies (Stumpf & Chaudhry, 2010; Poddar et al., 2012). According to Herstein et al. (2015), consumers value the ability to purchase less expensive second-hand product lines. Based on their study on consumer perceptions of price and quality, Poddar et al. (2012) argue that consumers become more willing to choose a counterfeit over a genuine product as the difference of the price between the two increases and as the quality between the two decreases. Thus, brand manufacturers should offer superior-quality products at as low prices as possible. If lowering prices is not an option, a brand manufacturer can alternatively focus on building a socially responsible corporate image. This is because according to Poddar et al. (2012), consumers are more willing to choose a counterfeit over a genuine product if the brand manufacturer is not seen as socially responsible.

Effective product-related CAMs include special product packaging (Stumpf & Chaudhry, 2010). Based on their study on 130 brands, Yang & Fryxell (2009) argue that investing in product reliability and customer service are effective CAMs. Product reliability and customer service are effective against counterfeiting because they represent a direct opposite to how counterfeiters bring home the bacon. Counterfeiters do not care whether their product actually works or not, and they do not wish to be in contact with a customer post-purchase. Brand manufacturers can exploit this weakness by offering superior quality and customer service to people who are willing to pay for this luxury.

Communication-related CAMs have been discussed from several perspectives. According to Chaudhry et al. (2009), communicating the harmful effects of
counterfeiting is an ineffective CAM. This finding is in line with the observation of Herstein et al. (2015) that overall, negative messages are perceived as ineffective. Instead, Herstein et al. (2015) encourage brand manufacturers to educate consumers about why the genuine product is more expensive than the counterfeit. Stumpf & Chaudhry (2010), on the other hand, suggest educating consumers about the benefits of the genuine product as an effective CAM. According to Yang & Fryxell (2009), communication-related CAMs are generally ineffective because their consequences are twofold. They have a tendency to increase demand, but this increase applies to both genuine products and counterfeits. Thus, the effectiveness of communication-related CAMs depends to a large extent on what is being communicated. Focusing on product reliability and the availability of customer service is a good choice because these measures are effective per se. Other topics might not be as effective.

In general, brand manufacturers find CAMs ineffective. Measures targeted at governments, distribution chains and counterfeiters are seen as more effective (e.g. Bush et al., 1989; Chaudhry et al., 2009). This may explain the problem with existing CAMs, namely that of brand manufacturers hesitating to use them (Bush et al., 1989; Chaudhry et al., 2009; Cesareo & Stöttinger, 2015). According to Cesareo & Stöttinger (2015), brand manufacturers find two-way CAMs more effective than traditional ones. This finding suggests that an overall change of focus from one-way CAMs to two-way CAMs could enhance perceived effectiveness. This, in turn, might defuse the unwillingness of brand manufacturers to engage in the use CAMs.

Based on existent literature on the effectiveness of CAMs, it can be stated that, depending on the situation, all CAMs can be effective or ineffective. What works for one audience on one occasion, may not work for another audience on another occasion. As the multinational study of Stumpf & Chaudhry (2010) shows, even respondents’ country of origin affects perceived effectiveness. For this reason, studying how CAMs are used and perceived in different countries is necessary. It enables us to acquire an understanding of what CAMs are perceived as effective and where. Hence, the aim of this study is to examine how CAMs are used and perceived in Finland.

Since the effectiveness of CAMs varies depending on whom they are targeted at, adopting a more elaborate approach towards choosing the right CAMs is necessary. Furthermore, CAMs need to be tailored according not only to different customer segments and their habits and motivations (Cesareo & Stöttinger, 2015; Herstein et al.; 2015), but also to different product categories. This is because different product
categories experience different types of counterfeiting i.e. deceptive and non-deceptive counterfeiting. For this reason, the focus of this study is on design brand manufacturers. It aims to acquire a view on how design brand manufacturers use and perceive CAMs in order to find out how CAMs can effectively be used in the design industry.

2.6. Summary of the theoretical part

This chapter introduced the essential findings of existent literature on CAMs and their effectiveness. In chapter 2.1, the differences between deceptive and non-deceptive counterfeits were acknowledged. In chapter 2.2, CAMs were put in the context of other anti-counterfeiting measures, and in chapter 2.3, all available CAMs were discussed thoroughly. Cesareo & Stöttinger’s (2015) four-part categorisation of CAMs was adopted as the basis for this study. Consequently, product-related CAMs (chapter 2.3.1), communication-related CAMs (chapter 2.3.2), distribution-related CAMs (chapter 2.3.3), and price-related CAMs (chapter 2.3.4) were discussed successively. The goals of CAMs were introduced in chapter 2.4. In chapter 2.5, literature focusing on the effectiveness of CAMs was discussed.

Based on the differing findings as to what CAMs had been perceived as effective in previous studies, it was concluded that a more intricate model for assessing the perceived effectiveness of CAMs was needed. It was argued that the perceived effectiveness of individual CAMs varies from industry to industry and from country to country. It was also estimated that the goals of fighting counterfeiting play a significant role in determining whether an individual CAM is perceived as effective or not. In addition, it was found that the existence of deceptive and non-deceptive counterfeiting affects the way those goals should be set.

2.6.1. Theoretical framework

Based on what factors were found to have an impact on the perceived effectiveness of individual CAMs, a theoretical framework is suggested. The framework is derived from Cesareo & Stöttinger’s (2015) concept of consumer-directed anti-counterfeiting measures (CAMs), and it is called a consumer-directed anti-counterfeiting strategy (CAS). The framework is presented in Figure 3.
Deceptive counterfeits | Non-deceptive counterfeits

## Goals

<table>
<thead>
<tr>
<th>Support relationship to brand</th>
<th>Affect willingness to buy genuine products</th>
<th>Affect willingness to buy counterfeits</th>
<th>Allow to distinguish genuine product from counterfeit</th>
<th>Affect attitudes towards counterfeiting</th>
<th>Spread awareness of counterfeiting</th>
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## CAMs

<table>
<thead>
<tr>
<th>Product-related CAMs</th>
<th>Communication-related CAMs</th>
<th>Distribution-related CAMs</th>
<th>Price-related CAMs</th>
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<tr>
<td>Differentiate products through features, quality, etc.</td>
<td>Encourage consumers to report back counterfeits</td>
<td>Provide list of authorised retailers</td>
<td>Lower prices</td>
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<tr>
<td>Provide additional product lines</td>
<td>Allow consumers to authenticate products</td>
<td>Display certificates in authorised stores</td>
<td>Provide less expensive product lines</td>
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<tr>
<td>Provide additional benefits</td>
<td>Maintain control over the media</td>
<td>Provide customer service</td>
<td>Establish special outlets for discount products</td>
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<tr>
<td>Issue authentication technologies</td>
<td>Educate how to distinguish genuine product</td>
<td>Provide warranties</td>
<td>Provide second-hand products</td>
</tr>
<tr>
<td>Use special product packaging</td>
<td>Emphasize harmful effects</td>
<td>Provide in-store privileges</td>
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<td></td>
<td>Emphasize unlawfulness and unethicalness</td>
<td>Raid counterfeit stores</td>
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<td>Emphasize social responsibility</td>
<td>Avoid distribution in counterfeit districts</td>
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<td>Promote genuine product</td>
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<td>Justify price premiums</td>
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Figure 3  A framework for a consumer-directed anti-counterfeiting strategy (CAS)

The suggested framework for a CAS is built on three successive blocks. First, an assessment of whether the counterfeiting of a brand manufacturer's products is deceptive or non-deceptive, is needed. This block is based on Grossman and Shapiro’s (1988) division of counterfeiting into two categories. Depending on whether the counterfeiting is deceptive, non-deceptive, or both, the goals of the CAS can be set. This is the second block of the framework. It consists not only of the final goal of all CAMs to decrease the demand for counterfeiting, but also of the six sub-goals, of which relevant
ones are chosen. The third and final block of the framework includes all available CAMs, divided into four categories, as in Cesareo & Stöttinger's (2015) model. The individual CAMs of the framework represent a summary of what existent literature suggests.
3 METHODOLOGY

In this chapter, issues related to the empirical part of this study are discussed. In chapter 3.1, the reasons for choosing open-ended interviews as the research method for this study are presented. In chapter 3.2, the choice of sampling method and the reasons behind it are discussed. In addition, details of the final sample are presented. Chapter 3.3 consists of a discussion of the conducted open-ended interviews. Additionally, a detailed presentation of the interviews is included. In chapter 3.3.1, the interview guide design and the roles of its different parts are presented. Details as to how the interview data were analysed are presented in chapter 3.4. Lastly, the quality of the research is discussed in chapter 3.5.

3.1 Method

The aim of this study is to examine how (design) brand manufacturers use and perceive consumer-directed anti-counterfeiting measures (CAMs). Most studies focusing on brand manufacturers’ perceptions of the effectiveness of anti-counterfeiting measures have been conducted through surveys. E.g. Bush et al. (1989), Chaudhry et al. (2009), and Yang & Fryxell (2009) have used surveys to find out what measures brand manufacturers find useful. A survey is, indeed, appropriate, for example, for discovering whether one anti-counterfeiting measure is used more often than another. Had this study focused merely on what CAMs brand manufacturers use, a survey would have been a relevant option. A survey does not, however, enable to obtain in-depth knowledge as to how brand manufacturers perceive the use of anti-counterfeiting measures, or to identify previously uncovered measures. Thus, another type of method was needed.

For their study, Cesareo & Stöttinger (2015) conducted 15 interviews with marketing and brand protection experts working for luxury brand manufacturers in order to find out what CAMs they perceive as effective. Since the aim of this study is in line with that of the study of Cesareo & Stöttinger (2015), and since interviews are suitable for understanding another person’s perspective (Patton, 2002), interviews were chosen as the most appropriate method for this study. This conclusion was reinforced by the fact that the framework of this study was built on the conceptualisation of CAMs by Cesareo & Stöttinger (2015). Since the study of Cesareo & Stöttinger (2015) was limited to luxury brand manufacturers and conducted in only two countries, it did not, however,
offer profound enough insight as to how CAMs are used and perceived in other industries and in other parts of the world. Because of this, interviews focusing on a different audience were needed.

Open-ended interviews are commonly used in qualitative research for the exact reason that they allow the interviewer to better understand the authentic perception of the informant than closed-ended interviews (Silverman, 2006). Consequently, in order to gain an in-depth understanding of how CAMs are used and perceived, open-ended interviews were chosen as the most appropriate research method for this study.

3.2. Sample

In this study, purposeful sampling, as described by Patton (2002), was used to find suitable cases. This method is particularly typical for qualitative research that, unlike quantitative research, does not necessarily seek to generalise. Purposeful sampling allows the choosing or information-rich cases that contain in-depth information. Because of the large amount of information these cases contain, the number of them in one study can, on the other hand, be relatively small.

The purposeful sampling strategy chosen for this study was intensity sampling, as described by Patton (2002). Intensity sampling is closely related to extreme case sampling with the exception that it focuses on cases that manifest a phenomenon intensely, not extremely. In other words, the aim of intensity sampling is to find information rich cases, not exceptionally unusual ones. Because the design industry was assumed to manifest the phenomenon of counterfeiting more intensely than other industries, design brand manufacturers were deemed as the most suitable target for intensity sampling.

Limiting their focus primarily to large companies, Bush et al. (1989) acquired a sample of 103 brand manufacturers representing various industries. As argued by Bush et al. (1989), large brand manufacturers undoubtedly attract more counterfeitors than small ones, which is why this study could also have excluded small companies. The number of large Finnish design brand manufacturers is, however, relatively small, which is why including also small companies was seen as beneficial to the quality of the research. Moreover, the lack of studies focusing on the perceptions of small companies makes them an interesting target. For instance, the increasingly significant role of brands in society may have made even small brand manufacturers appealing to counterfeitors.
over the years. The significance of a brand is less and less dependent on the size of a company, which may decrease the role of company size in counterfeiting activity.

For this study, altogether 15 Finnish design brand manufacturers were contacted. Five of these represented clothing, whereas the remaining ten brand manufacturers operated primarily among footwear, bags, furniture, home decoration, or jewellery. Out of all the contacted brand manufacturers, six agreed to be interviewed for this study. The final sample i.e. the brand manufacturers that were interviewed and short descriptions of them are presented in Table 4.

Table 4 Case companies

<table>
<thead>
<tr>
<th>Brand manufacturer</th>
<th>Description of the brand manufacturer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aarikka</td>
<td>“Aarikka is a Finnish family business which was founded in 1954. The company designs and manufactures unique jewellery and items for home decoration and table setting.” (Aarikka, 2016)</td>
</tr>
<tr>
<td>Lundia</td>
<td>“Since 1948 Lundia Oy has created furniture that evolves and adapts according to people’s changing lives.” (Lundia, 2016)</td>
</tr>
<tr>
<td>Clothing brand X</td>
<td>Manufactures and sells clothing.</td>
</tr>
<tr>
<td>Design brand Y</td>
<td>Manufactures and sells clothing, accessories, and home decoration.</td>
</tr>
<tr>
<td>Reima</td>
<td>“For more than 70 years, we have been working for the joy of playing outdoors and we intend to continue being the world's leading expert in outdoor clothing for children.” (Reima, 2016)</td>
</tr>
<tr>
<td>Artek</td>
<td>“Today Artek is renowned as being one of the most innovative contributors to modern design, creating new paths at the intersection of design, architecture and art. The Artek collection comprises furniture, lighting and accessories by the Nordic masters Alvar Aalto, Ilmari Tapiovaara, Tapio Wirkkala, Eero Aarnio and Yrjö Kukkapuro.” (Artek, 2016)</td>
</tr>
</tbody>
</table>

Two of the brand manufacturers included in this study wished to stay anonymous, which is why their names are not presented in Table 4. These brand manufacturers are from now on referred to as Clothing brand X and Design brand Y. Other brand manufacturers interviewed for this study included Aarikka, Lundia, Reima, and Artek.

Three of the brand manufacturers interviewed for this study (Clothing brand X, Design brand Y, Reima) manufacture and sell clothing, which means that they are slightly over-represented in the sample as compared to the original 15 brand manufacturers that were contacted. Furniture brand manufacturers are also fairly well represented in the sample with two case companies (Artek, Lundia). Since Design brand Y has a binary focus on both clothing and home decoration, the overall number of brand manufacturers operating among some other field than clothing is four (Aarikka, Artek,
Design brand Y, Lundia), thus resulting in a sample that fairly well represents the original 15 brand manufacturers that were contacted.

3.3. Interviews

The interviews were carried out in the Helsinki metropolitan area in Finland. The representatives of the brand manufacturers were met at their headquarters or other facilities. All of the interviews were carried out in Finnish. A summary of the details of the interviews is presented in Table 5.

Table 5 Interviews

<table>
<thead>
<tr>
<th>Brand manufacturer</th>
<th>Name of the informant</th>
<th>Title of the informant</th>
<th>Date of the interview</th>
<th>Length of the interview</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aarikka</td>
<td>Pauliina Aarikka</td>
<td>Design Director</td>
<td>8.2.2016</td>
<td>51 minutes</td>
</tr>
<tr>
<td>Lundia</td>
<td>Michaela von Wendt</td>
<td>CEO</td>
<td>17.2.2016</td>
<td>60 minutes</td>
</tr>
<tr>
<td>Clothing brand X</td>
<td>Informant X</td>
<td>Head of Operations</td>
<td>22.2.2016</td>
<td>45 minutes</td>
</tr>
<tr>
<td>Design brand Y</td>
<td>Informant Y</td>
<td>General Counsel</td>
<td>24.2.2016</td>
<td>72 minutes</td>
</tr>
<tr>
<td>Reima</td>
<td>Riikamaria Paakkunainen</td>
<td>Communications Manager</td>
<td>11.3.2016</td>
<td>53 minutes</td>
</tr>
<tr>
<td>Artek</td>
<td>Anja Matilainen</td>
<td>Country Manager</td>
<td>5.4.2016</td>
<td>48 minutes</td>
</tr>
</tbody>
</table>

The brand manufacturers were given the chance to decide who from their organisation they saw as best suited for the interview. Consequently, the informants represent various business functions from legal to design. The informants represent also different position levels from manager to CEO. As a result, the informants’ differing backgrounds may have had an effect on how they perceive CAMs.

The interviews were carried out between February and April 2016. Approximately one hour was reserved for each interview, and their final lengths varied from 45 minutes to over 70 minutes. All interviews were recorded from beginning to end with a smartphone. This was done to ensure that the perspective of the informant is grasped fairly and in full detail (Patton, 2002). As Patton (2002) argues, not recording the interviews would most likely have led to the interviewer focusing excessively on taking notes and not registering all relevant information.

The interviews were carried out in a relaxed and conversational style, but with the help of an interview guide. The interview guide was not repeated word for word but all issues listed in it were discussed. Some informants had examples of counterfeit products with them. These examples were discussed and inspected during the interview.
and they acted as a catalyst for further discussion. Other informants showed examples of their products that had been counterfeited. Mobile devices were occasionally used to illustrate counterfeiting cases and even a news article about a counterfeiting incident was brought to one interview.

3.3.1. Interview guide design

The general interview guide approach, as described by Patton (2002), was chosen as the interviewing method for this study, because it is neither too loose nor constricted. Unlike the informal conversational interview, it includes a preparatory interview guide that helps to make sure that all relevant topics are covered. Unlike the standardised open-ended interview, it allows the interviewer to change course depending on where the discussion is going. Its main advantages include the possibility to focus intensively on topics that require additional illumination and to word questions differently in different situations.

The interview guide was formulated according to the suggestions of Patton (2002). It listed relevant discussion topics, as well as possibilities for probing and exploring. Because time is often limited, the interview guide allowed the interviewer to prioritise between topics. It helped to make sure that all interviews shared a similar structure.

The interview guide was written based on the theoretical framework of this study. If a topic that was not listed in the interview guide came up during the interview, it was discussed in whatever detail needed.

The interview guide consisted of a set of questions. The questions were divided into four parts according to what information was sought. The first part of the questions functioned as a set of warm-up questions that would guide the informant to the subject of the study. The second part of the questions was intended to allow the informant to freely discuss their way of fighting counterfeiting. The third part of the questions focused exclusively on CAMs and how the informant perceived their use. The fourth and last part of the questions was meant to give the informant a final say of how they perceive the fight against fakes. The interview guide design is presented in Table 6.
Table 6  Interview guide design

<table>
<thead>
<tr>
<th>Part</th>
<th>Topics covered</th>
</tr>
</thead>
<tbody>
<tr>
<td>Part 1: Getting started</td>
<td>Introduction to the subject</td>
</tr>
<tr>
<td></td>
<td>Personal information</td>
</tr>
<tr>
<td></td>
<td>Background information on counterfeiting</td>
</tr>
<tr>
<td>Part 2: Countering counterfeiting</td>
<td>Counterfeiting incidents</td>
</tr>
<tr>
<td></td>
<td>Ways of fighting counterfeiting</td>
</tr>
<tr>
<td></td>
<td>Goals of fighting counterfeiting</td>
</tr>
<tr>
<td>Part 3: CAMs</td>
<td>Product-related CAMs</td>
</tr>
<tr>
<td></td>
<td>Communication-related CAMs</td>
</tr>
<tr>
<td></td>
<td>Distribution-related CAMs</td>
</tr>
<tr>
<td></td>
<td>Price-related CAMs</td>
</tr>
<tr>
<td>Part 4: Conclusion</td>
<td>Concluding thoughts</td>
</tr>
<tr>
<td></td>
<td>Final recommendations</td>
</tr>
</tbody>
</table>

The first part of the questions was intended to set the mood for the upcoming discussion in order to allow the informant to talk as freely as possible. In addition to preliminary questions related to the job of the informant and the role of counterfeiting in it, the first part included questions that were meant to chart the informant’s general views regarding counterfeiting. This was done to find out how significant a problem counterfeiting was perceived to be from the perspective of the brand manufacturer.

In the second part of the questions, the informant was primarily asked about their preferred ways of fighting counterfeiting. This was done to find out what measures the brand manufacturer had already used and what measures they were currently using. The second part of the questions started with questions related to the counterfeiting incidents that the brand manufacturer had experienced. Firstly, these questions were meant to clarify their stance towards deceptive and non-deceptive counterfeiting. Secondly, they were meant to allow the informant to discuss anti-counterfeiting measures without any preconceptions of CAMs evoked by the interviewer. The following questions were related to individual anti-counterfeiting measures and their goals. These questions were included in order to find out how CAMs were perceived in relation to other anti-counterfeiting measures.

In the third part of the questions, the question of using individual CAMs was raised. Questions related to product-related CAMs, communication-related CAMs, distribution-related CAMs, and price-related CAMs were included. This was done to find out how the brand manufacturer perceived individual CAMs, even if they had never used them or even thought about doing so. The third part of the questions was meant to map how brand manufacturers perceive the role of customers in fighting
counterfeiting and how familiar they are with CAMs. Questions related to the perceptions of the brand manufacturer regarding the efficiency of individual CAMs were also included.

The fourth part of the questions was included in order to enable the informant to share their final views regarding counterfeiting. In other words, it was meant to allow the informant to form an overall opinion of the issue that had been under discussion. Additionally, it was meant to provide the informant with the possibility of bringing out any new thoughts regarding the issue of counterfeiting that the discussion might have evoked. The primary goal of the fourth part of the questions was to provide support for what the informant had already said. The entire interview guide is presented in Appendix 1 in the end of this paper.

3.4. Data analysis

The data of this study was analysed by using a combination of a deductive and an inductive approach. According to Saunders, Lewis, & Thornhill (2009), this type of combination is often fairly useful because it enables a profound data analysis and interpretation. What makes this study deductive is that the theoretical framework presented in chapter 2.6.1 was used as a basis for the empirical study. This means that the acquired data was analysed in relation to the constructs set by the framework. As Saunders et al. (2009) suggest, an inductive approach is more applicable than a deductive one if the research topic is particularly novel and unformed. Since these attributes apply to a large extent to the topic of CAMs, an inductive approach was also seen as appropriate for this study. An inductive approach was used to cover for the inability of the theoretical framework to explain all relevant issues regarding CAMs and their effectiveness. This means that when a specific piece of data did not match the earlier presented theoretical framework, an inductive approach was applied by analysing and interpreting what that piece of data might entail.

The interviews were transcribed shortly after their recording. The transcripts functioned as the primary data for the final analysis. Highly irrelevant parts or comments that the informants asked to be left out were not transcribed. These comments included personal views that the informants wanted to share with the interviewer but that did not represent the views of the brand manufacturer. The transcription process was done to ensure that all relevant information would be captured. The transcripts were gone through several times to make sure that nothing
important would be left out. Relevant parts of the transcripts were translated from Finnish to English, but a word for word translation was avoided. Some names or product features mentioned in the transcripts were translated only roughly so as to protect the anonymity of the brand manufacturer. This was done only in cases where the informant wished the brand manufacturer to stay anonymous and where the name or product feature they mentioned was clearly recognisable to at least most Finnish consumers.

Spiggle (1994) lists multiple ways of analysing qualitative data. The fundamental ways i.e. operations that are relevant to analysing the data of this study include categorisation, abstraction, comparison, and integration. Additional operations include iteration and refutation. Spiggle’s (1994) operations do not need to be used successively. Instead, they should occur in a mixed up order during the analysing process depending on what operation is the most appropriate at a given moment. Hence, the analysis of this study was conducted first step by step, after which each operation was repeated when needed. All operations are discussed in more detail in the following.

According to Spiggle (1994), categorisation is about identifying categories among data. In the case of this study, the theoretical framework presented in chapter 2.6.1 was used as the basis for the categories that were searched among the data. If certain data did not match the framework, it was categorised inductively i.e. a new category was identified from the data. Abstraction is a follow-up to categorisation, meaning that its goal is to categorise data into more abstract classes. Through comparison, pieces of data are compared to other pieces of data in the same category in order to find out how they differ or are alike. The goal of integration is to locate uniformities among data and to find relationships between different elements. To acquire verification, iteration was used. Iteration means revising data and analysis in order to acquire a more intricate interpretation. Finally, through refutation, the analysis was questioned. Especially negative case analysis i.e. “the intentional seeking out of specific cases that disconfirm one’s emerging analysis” (Spiggle, 1994, p.496) was used in order to ensure the high quality of the final analysis.

3.5. Quality of the research

In their article, Wallendorf & Belk (1989) suggest five different criteria that characterize high quality research. These criteria include credibility, transferability, dependability,
confirmability, and integrity. Furthermore, Wallendorf & Belk (1989) argue that different techniques can be used in order to ensure that these criteria are met. The criteria as well as the techniques suggested by Wallendorf & Belk (1989) will be discussed in detail in the following. Wallendorf & Belk (1989) base their discussion primarily on observation, which is why their concepts have been adapted to the method used in this study i.e. qualitative interviews.

**Credibility**

According to Wallendorf & Belk (1989), credibility refers to how well the representations of reality are presented. The technique with which the credibility of the research can be assessed includes triangulation across sources and methods (Wallendorf & Belk, 1989). Triangulation across sources means interviewing different types of informants, whereas triangulation across methods means using different methods to test whether an interpretation is credible. In order to ensure triangulation across sources, brand manufacturers representing different fields and product categories were included in the sample. Moreover, the informants represented different business functions, thus offering different perspectives on counterfeiting. Triangulation across methods was not used mainly because of the limitations set by the scope of this study. However, due to the use of triangulation across sources, triangulation across methods was not seen as absolutely necessary for this study.

**Transferability**

Transferability refers to the extent to which the findings of a study can be applied to other similar settings (Wallendorf & Belk, 1989). According to Wallendorf & Belk (1989), transferability can be achieved for instance through seeking limiting exceptions. This means mapping the limits of the findings of the study by assessing which cases the findings do not apply to. CAMs can be perceived as fairly industry-specific, which is why the findings of this study ought to be easily applied to other design brand manufacturers. As stated earlier in this paper, applying the findings of this study to brand manufacturers operating in other industries should, however, be done with careful consideration.

**Dependability**

According to Wallendorf & Belk (1989), dependability refers to how well the interpretation of the researcher is able to avoid all the instabilities that can be avoided.
One technique with which dependability can be achieved is called dependability audit (Wallendorf & Belk, 1989). This means giving the raw data of the research to an external auditor for assessment. Due to the scope of this study, an external auditor could not be used. The informants were, however, given the opportunity to go through the interview data after its collection. Another technique suggested by Wallendorf & Belk (1989) is observation over time, which in the context of this study could have meant interviewing the brand manufacturers on several occasions over time. However, since the interviews conducted for this study allowed a discussion on past and current perceptions, observation over time was not seen as necessary.

**Confirmability**

Confirmability refers to the extent to which the interpretation of the researcher can be followed (Wallendorf & Belk, 1989). This is necessary in order to guarantee that the findings of the study are determined by the informant and not by the researcher. According to Wallendorf & Belk (1989), confirmability can be achieved through triangulation in the form of a research group. Due to the nature of this study, employing a group of researchers was not possible. The research process was, however, supervised by an external assessor. In addition, the interview and data analysis processes were carefully described in this paper in order to make the interpretation chain as transparent as possible.

**Integrity**

According to Wallendorf & Belk (1989), integrity deals with the issue of whether the information the informant has given is trustworthy. Problems with integrity may arise if, for instance, the informant wants to give a false impression or if they dislike the interviewer (Wallendorf & Belk, 1989). To avoid problems with integrity, Wallendorf & Belk (1989) suggest using a skillful interviewing technique. In the context of this study, this meant starting interviews with broad, non-threatening questions before moving on to more detailed ones. In addition, reframing and probing were used in the course of the interviews. More importantly, a sensitive attitude towards the informants was maintained. Lastly, the identities of the informants were safeguarded upon request. Before the interviews, each brand manufacturer and informant was given the option of staying anonymous, which was done in order to allow them to speak openly without the need of having to hide sensitive issues.
4 HOW ARE CAMS USED AND PERCEIVED?

This chapter focuses on the results of the empirical part of this study. In chapter 4.1, the results as to how countering counterfeiting is perceived by brand manufacturers in general are discussed. This includes both the existence of deceptive and non-deceptive counterfeiting and the role of CAMs in relation to other anti-counterfeiting measures. Chapter 4.2 focuses on how brand manufacturers use and perceive different types of CAMs. Their perceptions are divided into four parts based on the division of CAMs into product-related CAMs (chapter 4.2.1), communication-related CAMs (chapter 4.2.2), distribution-related CAMs (chapter 4.2.3), and price-related CAMs (chapter 4.2.4). Finally, in chapter 4.3, brand manufacturers’ goals regarding the use of CAMs are discussed.

4.1. Perceptions of countering counterfeiting

The results of this study show that brand manufacturers acknowledge the problem of counterfeiting and are generally worried about their customers buying fakes. Nevertheless, they believe that counterfeiting is a much bigger problem to large multinational companies than to small Finnish design brand manufacturers. Hence, they are not interested in investing significant amounts of time, money, and effort into preventing counterfeit trade from happening. All of the informants interviewed for this study said that the problem is so significant and that the incidents are so many that there is no way that they could ever eliminate counterfeiting altogether. Brand manufacturers rather focus on their own business and their own products than pay excessive attention to counterfeits.

We always come up with new models. Go forward. If we started to dwell on those counterfeiting issues, it would cost us an awful lot of time and effort and even money. (Aarikka)

In the end, we are not that big a brand globally. I am sure that many other better-known brands have bigger problems with this issue than we do. (Clothing brand X)

Deceptive counterfeiting is something that brand manufacturers are generally more worried about than non-deceptive counterfeiting. Despite the fact that all the informants represented design brand manufacturers that are generally perceived as less prone to deceptive counterfeiting than for example pharmaceutical companies, several of them had experienced deceptive counterfeiting and were especially worried about it. One informant told about a case in Russia where a counterfeiter had used the brand manufacturer’s genuine contact information in the counterfeit products while selling
them under a slightly different trademark. According to the informant, cases like these might be more likely to occur in countries like Russia or China where the brand is less familiar and where a different alphabet compared to the Latin one is used, thus causing confusion among customers.

They have been interestingly manufactured, like they have copied our tag and everything. Even our company address in Kankaanpää. And our web address. So the trademark is Reimo but it says www.reima.com on the tag. (Reima)

Mostly the informants were worried about the damages deceptive counterfeiting might cause to the brand image and reputation of the brand manufacturer. Since the quality of counterfeits is often perceived to be relatively low, brand manufacturers fear that customers that buy counterfeits by accident will assume genuine goods to be of bad quality as well. Several informants were very precise about the willingness of the brand manufacturer to convey a high-quality image, which is why they were especially worried about losses in brand image.

Obviously it reduces the value of the brand if the counterfeit is of poor quality and the customer is eventually let down by it. Especially if they buy it without knowing. (Clothing brand X)

It is extremely harmful to our reputation because the quality is second-rate and the safety of the product is very questionable because they are manufactured in sweatshops where no rules or regulations are obeyed. (Design brand Y)

If they have even copied the brand then people may become confused as to what is genuine Reima and what is not, and that is not nice. If it starts to mess up our quality image, you know. (Reima)

Several of the informants interviewed for this study felt that buyers of non-deceptive counterfeits are not their customers. It was widely accepted that buyers of non-deceptive counterfeits are looking for something else than what brand manufacturers are able to offer, which is why it was perceived as useless to try to affect them. In other words, the informants did not believe that buyers of non-deceptive counterfeits would be interested in buying genuine products. For this reason, they were neither seen as a significant threat financially.

They are not our customers then, you cannot really do anything about it. (Aarikka)

Of course a really cheap 20 euro purse does not even compete with us. In that situation the buyer usually knows that it is a fake, it cost them 20 euros, they might never have bought our 150 or 200 euro purse anyway. So in that sense, it does not really affect our business. (Design brand Y)

Counterfeiting continues to be a sensitive issue that brand manufacturers do not want their customers to be exposed to. Hence, brand manufacturers are still mostly devoted to using other measures than CAMs in fighting counterfeiting. Proactive combatting and monitoring are among the measures that brand manufacturers prefer to engage in.
Several of the informants interviewed for this study felt a moral need to protect their customers from counterfeits without them necessarily knowing about it. One informant even expressed criticism towards other brand manufacturers that had given up all other anti-counterfeiting measures besides CAMs.

I know large global brands that have said that OK, we are not able to stop this. So they have decided to intervene only if one of their authorised retailers sells counterfeits. So those cases they do try to tackle. And then they just focus on educating their customers. They do not intervene. Sounds horrible, like your game is up, like there is nothing you can do. (Design brand Y)

It is extremely important that you protect your own clientele. It is the consumer who buys the product in the end, and you need to protect them and make sure that they get the genuine product. (Design brand Y)

I also feel that we should have the resources to monitor, so that the consumer is not given the role of a watchdog. That we do not let these counterfeits run wild and then simply ask consumers to watch what they buy. We need to try to get rid of the counterfeits so that we do not turn it into the consumers' problem. (Reima)

Even though brand manufacturers are not exceptionally familiar with using CAMs, they do not see other anti-counterfeiting measures as extremely attractive either. Several informants expressed their concern over the ability of legal measures to solve the problem of counterfeiting. One informant mentioned the significant expenses fighting counterfeiting in legal terms could cause. Another informant was sceptical about the overall ability of legislation to protect genuine products.

It is such a huge battle. It demands such a huge amount of resources if you react to every single case. I am always a little scared to send the message or make the phone call to the lawyer because I know they will send me an 800 euro bill for the 15 minutes of writing back a message or answering the phone. (Lundia)

In the 70’s we were thinking about pressing charges because of something, I do not remember what the product was. But then we noticed that it is so expensive and so easy to go round that we did not proceed with it, and we have not tried since. (Aarikka)

In their quest for effective anti-counterfeiting measures, brand manufacturers primarily try to affect counterfeiters. This is because they prefer to engage in measures that do not concern customers. According to one informant, the best way of dealing with counterfeiting is to contact the counterfeiter and solve the problem behind closed doors. Most informants had contacted a counterfeiter or at least tried to do so at one point or another.

If we noticed something, we would be in contact with them directly. We would not make a big fuss about it. (Clothing brand X)

One informant mentioned having a distinct strategy for dealing with counterfeiting issues, whereas others were more or less unsystematic in their approach. Measures had often been taken only after a counterfeiting incident had already occurred. The brand
manufacturer had then developed their anti-counterfeiting strategy incident by incident, without a clear focus on any specific goal.

> It has mostly been based on someone seeing something somewhere, buying the counterfeit, bringing it home, and then us wondering who could possibly have made it, and then trying to figure that out. (Reima)

### 4.2. Perceptions of CAMs

In the context of CAMs, brand manufacturers prefer to focus on using product-related measures. Especially superior quality is something that brand manufacturers want to invest in. Some communication-related CAMs are seen as useful, whereas others are perceived as slightly questionable due to the bad publicity they might cause. Regarding distribution-related CAMs, brand manufacturers prefer to focus on building a trustworthy retail network and investing in customer service. When applying price-related CAMs, brand manufacturers avoid lowering the price of their products. Instead, they prefer to offer additional, less expensive options. The way CAMs are used and perceived by brand manufacturers is discussed in detail in the following. The categories of product-related CAMs, communication-related CAMs, distribution-related CAMs, and price-related CAMs are discussed individually.

#### 4.2.1. Perceptions of product-related CAMs

Out of all CAMs, and especially product-related ones, brand manufacturers generally prefer to focus on differentiating their own products. Instead of paying close attention to possible counterfeiting incidents or even what competitors are doing, the informants interviewed for this study felt that by maintaining the attractiveness of their own products they are best able to keep their customers satisfied. Looking more deeply into the measure of differentiating genuine products, one factor was seen as more important by the informants than any other. According to their view, maintaining high quality is what differentiates a genuine product from a counterfeit the most explicitly.

> In any case, we base our products on quality and expertise, so if there were some counterfeits to be found, I am positive that in the end, they would not be the same. (Clothing brand X)

Several of the informants associated high quality with durability. Durability was especially important to the informants that represented brand manufacturers operating among the fields of furniture and home decoration. These informants felt that counterfeits were often for instance unstable or that they broke easily. They were very
definite about the brand manufacturer’s objective of producing products that last longer than counterfeits and that can be used safely.

People come asking us why the Aalto stool is so expensive when it does not even last. Well, in those cases we can say straight away that that is not a genuine Aalto stool because a genuine Aalto stool does last. The leg will not break. (Artek)

Unfortunately you can find Lundia copies all over the world. They are made of Bulgarian or Polish pine that is flimsy and not nearly as durable as Finnish pine. (Lundia)

Well, that all parts hold and are durable, and that the locks stay in good condition, when talking about jewellery, I mean. (Aarikka)

Instead of absolute durability, the informants that represented clothing manufacturers paid closer attention to materials in general. One of them mentioned the use of more upscale and expensive materials than what counterfeiters use. Another one discussed the brand manufacturer’s profound knowledge of how their materials work when they are worn. This knowledge was seen as something that customers value but that counterfeiters do not possess.

We have concentrated a lot on enhancing the quality of the material especially in our clothing. So it has become more upscale in a way. And we use silk and everything nowadays. (Design brand Y)

We have the technological expertise and the strictly defined policies that guarantee the quality of the product. So if you do it cheaply, you have to compromise. We have the materials that are well tested and we know exactly how they react and work. (Clothing brand X)

Overall, technical solutions play an important role in ensuring the quality of the genuine product and differentiating it from the counterfeit. Most of the informants talked about the technological complexity of the products of the brand manufacturer and the research and development that had been invested in them. In addition to the focus on durability as well as the considerate use of materials, refined production methods and technologies were seen as key factors in differentiating genuine products from counterfeits.

The quality shows really well on the finish, for example. And then on the roundness of the ball in the sense that if you try to make one at home, the ball will not turn out round easily. (Aarikka)

Origin can also be a differentiating factor. When talking about product differentiation, most of the informants stressed the fact that their products had originated in Finland. Some of the informants wanted to highlight the fact that their products are still made in Finland, but even if the production had been moved abroad, the origin of the design was still notably Finnish. Genuine products produced in Finland were seen as more exquisite than counterfeits, and it was also assumed that customers value products that are designed and produced in Finland.
These are handmade in Finland. These shades are sewn by hand in Ostrobothnia. Our lamp designer Jukka Korpihete has paid close attention to the indirect lighting that is reflected on the ceiling, and then the direct lighting. (Lundia)

Somehow, when the times are tough, it becomes more clear that people want to know where the product comes from and they want to buy products that have a long life cycle and that are ethically produced and if at all possible, made in Finland. (Artek)

One informant mentioned providing an additional product line. The brand manufacturer had introduced a new element to the shelving unit they had produced since the 1940’s in order to inspire old customers who might have abandoned their shelves over the years. The informant emphasized the possibility of combining new elements with old ones, thus allowing the customer to take use of what they had already purchased.

Last fall we introduced a line of different coloured doors for the exact reason that all of those 600,000 households have owned Lundia products at some point. So we have tried to encourage people to pick up their old Lundia shelves from the warehouse or the garage again, and then simply by buying new doors or new drawers you can build a really nice new combination. (Lundia)

The informant was strict about keeping the technical features of the products of the brand manufacturer the same over the years, so that they could be combined with new parts in the future. The same issue arose with another informant who emphasized the importance of continuity within their product range. According to their view, maintaining continuity is a way of engaging customers in the long term. Continuously offering the same products year after year makes it easier for customers to invest in genuine products, since they can be sure that new parts and additions can be added later. This view was especially popular among brand manufacturers operating in the furniture industry, the products of which are often relatively expensive.

We do not want to change this because then we lose the promise. It is like those kitchen brands that make a tiny adjustment every five years so that you cannot only change the doors, which is really annoying because the frame might still be useable. (Lundia)

With Artek you do not have to buy everything at once because the products will be available to you even later on. So if you make a long-term plan, you can purchase the products step by step. (Artek)

Offering additional benefits is not seen as an extremely important measure in fighting counterfeiting from the perspective of brand manufacturers. One informant did, however, acknowledge their value and especially the role of authentication technologies in allowing the brand manufacturer to offer additional benefits to their customers in a novel way. The informant discussed the possibility of managing the offering of additional benefits with the help of serial codes, thus turning the customer experience into a story.
We have also thought about adding a serial code to the product so that it could be registered. It would then develop into a story and we could serve you better. We could, for instance, send spare parts or offer a repair service. (Reima)

Brand manufacturers are generally interested in adopting authentication technologies in order to make genuine products more distinguishable to their customers. They tend to favour cost-effective options that enable customers to easily tell whether a product is genuine or a counterfeit. These options include, for example, the stamping of genuine products. One of the informants mentioned that they had only recently adopted a simple authentication technology due to an incident where another company had copied the model of the brand manufacturer's old necklace from the 1970's several decades later.

This case brought about the change that we started putting a small silver label in our jewellery so that it would be easier to recognise which jewellery is ours. (Aarikka)

All the products in our home collection are stamped. (Aarikka)

The use of authentication technologies among brand manufacturers seems to be fluctuating. Two of the informants told that the brand manufacturer had used an authentication technology earlier but that due to one reason or another, they had stopped using it since. After a while, the brand manufacturers had noticed the actual usefulness of the same authentication technology that they had discarded, and started using it again. On at least one occasion, the decision was triggered by a counterfeiting incident, as described earlier.

We have the genuineness in all of them that it is an original Artek product and since, from, depends on the product. We always have it, that goes without saying. We have had different customs over the years. At one point we did not have them at all because they were not seen as necessary. But then it was understood that it is highly relevant that we have them. (Artek)

Way in the beginning we had had a metallic label in our jewellery. But at some point it had been left out, and then we noticed that it was actually quite useful. (Aarikka)

Using stamps or labels may often be less expensive than issuing a more complex authentication technology. In addition, they can be used without the help of an external provider. Even though many informants had acquainted themselves with different types of technologies and found them a potential option, they had not, however, yet to adopt them. Brand manufacturers are careful towards adopting new authentication technologies mainly because they are perceived as a costly investment compared to the benefits they offer. Nevertheless, most of the informants felt positive about using authentication technologies in the future.
We have been offered them for a long time but we have not used them yet. We might at some point. They are pretty expensive in the sense that even if you just put one on the tag, it will show in the price of the product. (Reima)

We have gone through different options and they are pretty expensive. And there have been some problems in the supply chain, which is why we have not used them yet. But as I said, it is really not impossible to think that we would have them at some point. (Design brand Y)

Technology naturally enables all kinds of things but so far we have not found that necessary. (Clothing brand X)

I am sure that different types of devices will occur in the future. We just have to find the one that is suitable for us, you know, that has all the features that we are looking for. (Clothing brand X)

Brand manufacturers perceive expensive authentication technologies as best suited for equally expensive products. First of all, the relative increase in the price of an expensive product due to an authentication technology is lower than in that of a less expensive product. Secondly, the use of an expensive authentication technology can be perceived as a way of highlighting the value of the genuine product to customers, thus making it more appealing.

We have considered them but we have not used them yet. But some of our coats and purses are pretty expensive so we have not ruled out the possibility of using them at some point. (Design brand Y)

We could consider putting them in certain types of products. Say, if the product is expensive enough, adding a hologram will not make much of a difference. And it sort of helps you to see the value of the product. (Reima)

One informant acknowledged the problem with authentication technologies. Because they are meant to support the authenticity of the genuine product, discussing them in detail is harmful to the brand manufacturer, because it gives counterfeiters access to the same information, thus allowing them to copy genuine products more easily. Hence, it is possible that the informants may not have discussed authentication technologies as precisely as other measures.

We have these identification features in our clothes that enable us to define whether they are produced by us, one hundred per cent. In case these counterfeit products occurred, we could of course let people know about them. But otherwise we are not very keen on talking about them, so that the next one could not copy them. (Clothing brand X)

Only one informant mentioned product packaging as a means of fighting counterfeiting. In the case of the brand manufacturer, special product packaging was perceived as a differentiating product factor compared to counterfeits. Most of all, it was, however, meant to allow customers to distinguish between a genuine product and a counterfeit. Another informant mentioned authentication certificates as a means of fighting counterfeiting. The certificates were placed inside the package, allowing customers to authenticate the genuine product.
To make your products more distinguishable. In addition to quality, it includes, of course, the stamp and the package and the whole marketing material and all. So that it stands out from there in a different way compared to the counterfeit. (Aarikka)

We always have an authentication certificate in all product packages to show that it is made by us. (Artek)

4.2.2. Perceptions of communication-related CAMs

Overall, brand manufacturers are relatively hesitant about using communication-related CAMs. Some informants interviewed for this study argued that they are in general not very active in any kind of consumer-directed communication besides traditional marketing communications and advertising. Others were especially timid in relation to communicating counterfeiting-related issues. Brand manufacturers are afraid of the bad publicity focusing on counterfeiting might cause, which is why they rather keep silent.

It is not worth shouting from the rooftops because it usually backfires. (Artek)

We are generally quite hesitant about informing about anything. We have had that kind of a policy. (Clothing brand X)

When thinking about the channels through which counterfeiting-related issues could possibly be discussed, brand manufacturers have a very clear view of what is beneficial and what is not. Several informants highlighted the fact that they would never advertise counterfeiting-related issues or campaigns on their website. Instead, they argued that social media could offer more useful channels. Out of social media, Facebook was the channel that was mentioned the most often. The unwillingness of brand manufacturers to discuss counterfeiting-related issues on their website is due to the fact that they want to convey a certain holistic image through their website, and counterfeiting does not fit that image.

Not many brands want to wallow in it or highlight it. I see it as a pretty desperate gesture to have it as the main point of your communication. I could imagine us warning about it on Facebook but I doubt I would put it on the front page of our website. (Reima)

We might publish a press release about it but probably no one would be interested in it. I might concentrate more on our social media channels where we are pretty good already and where we are followed. (Lundia)

One of the informants acknowledged the important role of social media in building a desirable public image. Through social media, customers can become a part of the brand manufacturer’s communication. It enables customers to take a more active role not only in relation to communication, but also in relation to issues such as research and development. One of the informants said that they had already engaged their
customers in the design process of their products and that they were really happy with the results. Another informant discussed the possibility of taking advantage of social media when dealing with counterfeiting-related issues.

And then I would probably consider some kind of a class action or something, or how I would be able to track down the counterfeiters. And whether the customer would like to be involved in it because if you take advantage of it on social media, it is good PR for us. (Lundia)

Brand manufacturers have a positive or at least neutral attitude towards media attention. Some of the informants had discussed counterfeiting-related issues in public and they wanted to maintain open relations to media representatives. None of the informants expressed the willingness or ability to affect what is written about counterfeiting in the media, and they saw counterfeiting-related issues as merely a small part of what they want to communicate to their customers.

It is not that counterfeiting would be the central point of our communication. Obviously we want to sell our products, but it is not like we want to hide it in any way. For instance, I go to a lot of events and have given interviews to trade publications regarding this issue and how to tackle it. (Design brand Y)

Brand manufacturers are accustomed to customers reporting back counterfeits to them and authenticating genuine products. The two are often intertwined, meaning that the customer may often come across a possible counterfeit and proceed to buying it or not buying it. Either way, the customer may then contact the brand manufacturer. Several informants mentioned such incidents where the brand manufacturer had received enquiries from worried customers. The informants felt happy and content that their customers were active, and they were especially exited about the possibility of the reporting and authenticating behaviour to generate a dialogue between the brand manufacturer and the customer.

When I started here, I was so thrilled that we have such a big fan and customer base that reports the violations back to us. So at first I was like we do not really even need a monitoring service because we get so many notices through our customer service. And I thought it is so sweet and nice that people perceive our company as their own. (Design brand Y)

They have asked about copying and about whether this product is genuine Lundia or not. And then there are these cases where they have found a similar product. (Lundia)

We get quite a lot of enquiries via email asking us if a product is genuine Aarikka. Especially with jewellery, but also with other products, if it is not visible or if the logo on the bottom has worn out, or something. Especially since with jewellery they were not labelled for a long time. So we get enquiries almost on a weekly basis. Customers send us a picture that they have bought something from, say, a flea market or something, asking us whether this genuine Aarikka, and then I reply to them. (Aarikka)

When receiving enquiries from customers, brand manufacturers feel a need to respond. They may be able to authenticate a genuine product or they may simply thank the
customer for reporting a counterfeit. When customers report counterfeits that brand manufacturers have not come across before, they take the information seriously and use it to monitor counterfeits better. Some informants told that they had even asked for additional information and the customers had provided them with whatever they could find.

If it is a counterfeit we already know about, we explain that we know about it. And if it is a counterfeit that we have not known about, we are obviously very thankful and accept the information and bring it forward. We have this dialogue with people all the time. We find it really interesting and it is such a nice thing that we get feedback. (Artek)

Naturally we told them that it is not a genuine product and that you should not buy it. And we thanked them and we even asked what store it was and where and they were able to tell us. Then the person had found the same product somewhere online so they told us what the website was. (Reima)

Even though they are accustomed to different types of enquiries, brand manufacturers are not keen on encouraging customers to report back counterfeits or to authenticate genuine products. None of the informants mentioned having a special service for either of the two. Instead, customers had contacted them only on their own initiative. The reasons for not wanting to encourage reporting and authenticating behaviour included the fear of getting too much feedback and the inability of the brand manufacturer to actually identify what is a counterfeit.

I do not want to encourage people to do that. I feel that you should perhaps keep a slightly lower profile in relation to these issues. Otherwise people may become too active. Because you have to keep in mind what is a counterfeit and what is not since everything has already been done. It is a fine line between the two. (Lundia)

The importance of co-operation and collaborative campaigns arose when discussing with two informants. One of the brand manufacturers had conducted an advertising campaign shortly after a counterfeiting incident had been widely publicised in the Finnish media. The informant stressed the fact that during the campaign, they received vital support from other parties, which enabled the campaign in the first place. Another informant argued that taking collaborative action to communicate counterfeiting-related issues would be beneficial for everyone because it would decrease the risk of negative publicity to an individual brand manufacturer.

Finland is such a small country and we are such a small company that there is no way that we could do this by ourselves. We always need a bigger companionship to do it with. This was a good combination in the sense that we had one of our largest retailers and then the lawyer’s office and us, so we had a good triplet going on. (Artek)

For instance, an association for fashion commerce could arrange a seminar, and invite journalists, and then everyone would be there with their counterfeits, and we could discuss them and at the same time educate consumers a little. That would surely be possible. And since
everyone would be in it together, it would not be anyone’s individual panic gesture or a sign of weakness, but an issue that ought to be discussed. (Reima)

The informants had conflicting perceptions as to whether their customers should be educated about how to distinguish a genuine product from a counterfeit. Educating customers through the media or by advertising was not seen as fitting to the brand image the brand manufacturers want to convey. Moreover, it was not perceived as a successful selling argument. The informants expressed a need to focus on communicating other issues in their advertising. These issues will be discussed in this paper later on.

You just want to offer the consumer the wonderful experience, the wonderful product. You do not want to disturb them with having to know how to distinguish a genuine product. The end customer should not have to wonder how they are able to distinguish a counterfeit. (Design brand Y)

You have to have a really good knowledge of material to understand what is the real and genuine material. And there are always those little technical details related to the production phase that you are not able to see from the outside. So you just have to turn the piece of furniture upside down and see what is in the bottom. And usually there is something there. It might be a screw fastening that for example the original product does not have. You just have to know it and know how to look for it and you have to know how to educate the customer about it. But obviously we do not go around in our stores saying that you should buy this because it differs from the counterfeit in this way. (Artek)

Even though they are hesitant about proactively educating customers about how to distinguish genuine products, brand manufacturers do find it necessary that they are able to offer this information in case someone asks. Brand manufacturers put effort into educating their personnel so that the personnel can explain the difference between a genuine product and a counterfeit while selling the product.

Obviously we continuously train our personnel to repeat this mantra and we give them the tools that they need to be able to justify to the customer in the store how you can recognize that this is genuine and what are the special features that you cannot find in the counterfeit. (Artek)

Our sales personnel is trained to explain how you can tell that it is not a counterfeit, or how you can tell that it is a counterfeit instead of a genuine product. (Design brand Y)

Emphasizing issues related to the counterfeiter and the act of counterfeiting is seen as irrelevant from the perspective of brand manufacturers. Almost all of the informants mentioned the possibility of communicating already occurred counterfeiting incidents to their customers, but the idea was perceived in contradicting ways. Some of the informants were hesitant about talking about counterfeiters to their customers because they were conscious about how complicated the issue might turn out in legal terms. They did not want to take the risk of the issue turning against them in the end. Other informants were simply sceptical about the ability of discussing counterfeiters to
actually make a difference. Most importantly, the informants were extremely worried about the effect that that kind of publicity might have on brand image.

It sounds strange in my opinion. Obviously if the customers came to our stores, we would try to do something to keep them satisfied. Like educate them about the difference or whatever. But for us to start publicly discussing it in certain channels, that sounds like strange PR to me. (Design brand Y)

I feel that if this kind of an incident occurred, we should let people know about it in case it affected them. You know, if they had spread all over the place. But if they are local, a public announcement may not be that important. After all, that kind of publicity tends to reduce the brand, reduce its value. (Clothing brand X)

We rather use our energy on talking about our genuine and good products than start bashing the counterfeiters all the time, because it is an endless job. It will never be done. (Artek)

Even though brand manufacturers are generally not interested in discussing counterfeiters publicly, some of the informants felt positive about informing their customers about counterfeits, should a serious incident occur. They perceived it as a viable option especially in the case of products that might pose a threat to the health and safety of their customers. However, only one informant mentioned that they had actually discussed a counterfeiting incident in public. They acknowledged that is was a special case and that it could not be repeated often.

We filed a lawsuit with Heinonen and we won. It was a completely public thing and Helsingin Sanomat wrote a lot about it. We published a front-page ad and everything and it worked really well. But obviously you cannot do that all the time. (Artek)

We could just publish a list of the places where the counterfeits are sold. The list might be outdated on the next day, though. But we could raise one example and say that these Reimo products can be found online, do not buy them. And that they are not under our guarantee even though our web address is printed on the tag. And that we cannot promise that they are in accordance with all regulations, or safe to children. (Reima)

It probably depends on the product. I feel that regarding clothing and accessories, it is not necessary, but certainly in some cases you might want to make it public. For example if the counterfeit product should cause a risk of damage or even injury to the consumer. (Design brand Y)

Instead of criticizing counterfeiters or focusing on overall negative messages, brand manufacturers choose to promote their own products. They believe that by highlighting the superiority of the genuine product they are able to affect the demand for counterfeits. The informants discussed several different ways in which the brand manufacturers had promoted their products, ranging from focusing on exceptional quality to highlighting the fact that the product is made in Finland.

If we do print ads for example in magazines, we always tell that our products are genuine and original. That is something that we have highlighted. Every time we do ads for our own store, this information must be included. That way we try to sort of educate people about the fact that it is original and genuine. (Artek)
We justify why you should choose Lundia even in our price list. This section was actually included only a few years ago, and we started it in Germany because there we encountered these cheap copies. But then we thought why should we not have this also in Finland and emphasize the Finnish Key Flag and our production and our manufacturing and our people behind the Lundia product more. (Lundia)

Brand manufacturers use ethical reasoning to promote genuine products. Several informants told that they highlight the ethicalness of their products as compared to counterfeits. Instead of discussing the negative aspects of counterfeit products, they prefer to focus on the positive features of genuine products. Issues that they saw as worth mentioning were environmental, humanitarian and economic. Firstly, the informants argued that their products are made in environmentally friendly ways and that they are transported from near locations, thus causing fewer emissions. Secondly, they highlighted the fact that unlike counterfeiters, they monitor the conditions of their workers. Thirdly, they emphasized their positive contribution to the wellbeing of the Finnish economy.

In our brochures and also on our website we really talk a lot about sustainable design and about being ethical and ecological. Our products are for instance PEFC-certified, so you can trace their origin and we know where this tree was cut down. So we have an extremely transparent production chain and logistics chain. I am very proud of that. And of course we refer to studies every now and then. For example, I read about a study that said that the Chinese rarely buy clothing or furniture that is made in China. (Lundia)

Design brand manufacturers want to highlight the designer of their products. It adds to the overall story of the genuine product. The designer’s name is often included in product information and marketing material. The informants expressed a clear understanding of the willingness of their customers to know by whom a product is designed, which is why several of them wanted to offer this information. The name of the designer seemed to be less relevant for clothing brand manufacturers, whereas for example furniture brand manufacturers perceived it as important.

We always have the name of the designer in all our product information, and the year also. There are two reasons for that. First of all, we show that it is a genuine product. Second of all, we want to educate people, we want to tell. So that little by little, they will start to remember these things. And then it also adds to the value of the product for them. (Artek)

I know that it matters to our customers what is behind the product. (Aarikka)

Brand manufacturers perceive educating customers about the price structure of the genuine product as a highly potential CAM. The informants were worried about customers not realizing how expensive it is to produce genuine products especially in Finland, which is why they argued that consumers should be educated more. For example, a better knowledge of materials is something that brand manufacturers wish consumers had. Nevertheless, brand manufacturers have not taken action in educating
their customers about the price structure of their products. One informant argued that the issue could be discussed more in the media.

Perhaps you could talk about it more, especially if you want jobs and manufacturing to stay in Finland. I think we should discuss our value judgements and copying and counterfeiting more in order to make people understand that there is a reason why this costs a certain amount of euros and this and this. (Lundia)

4.2.3. Perceptions of distribution-related CAMs

Most brand manufacturers offer a list of authorised retailers on their website. However, none of the informants interviewed for this study mentioned this as a relevant factor in relation to countering counterfeiting. As with educating customers to distinguish a genuine product, the informants were not keen on advertising their list of authorised retailers. Most of the brand manufacturers did offer a list of authorised retailers, but they did not want to shift the responsibility of finding a genuine product instead of a counterfeit to the customer.

We as a company should be able to guide the customer to where the genuine products are sold. The customer should not have to think about it. (Design brand Y)

Displaying certificates in authorised stores does not seem to be a relevant CAM for brand manufacturers either. Few informants discussed the issue and the ones that did, had only used store certificates in China where they were mandatory. Manifesting the authenticity of a store had also been done through putting stickers on doors, but that measure had already been given up.

We used to have those stickers on store doors, you know, authorised Reima dealer. But we have not used those for a while now. (Reima)

Brand manufacturers rely on customer service to keep their customers satisfied. One of the informants discussed offering a repair service for products that might tear or break before expected. These products were made of special materials that could not be repaired with traditional methods.

Obviously if the footloops break, we send you new ones. So after you have sent us a picture of the broken footloops, we send the new ones. And then we use waterproof fabric that you cannot patch up simply by sewing. So if you get a tear in your overall, we send you patches made of the corresponding material, free of charge. (Reima)

Another form of customer service that came up with one informant was a special payment arrangement that allowed the customer to purchase an expensive product even though they did not possess the needed money at the time. The customer was able to pay for the product in six parts under a period of six months, and no interest was
collected. The informant saw this arrangement as a way of especially young customers with small income to refrain from buying counterfeits, which they might do if the payment arrangement was not offered.

Another thing that we have thought about in a marketing and commercial sense is that we have this kind of payment agreement so that after giving a commitment, you can pay in six months without having to pay interest. (Artek)

Mostly brand manufacturers rely on their ability to choose their retailers so that customers can count on finding a genuine product when they are looking for one. Brand manufacturers pay careful attention to choosing the right retailers, and their products are sold only in distinct places. The characteristics of a trustworthy retailer include high quality and big size. The informants stressed that in case their customers are uncertain whether a product is genuine, they can always turn to a trustworthy retailer to avoid any confusion.

We focus on our selective retail organisation, meaning that we operate through high-quality, trustworthy channels. So if you go to a discount chain, you have to consider whether the product is genuine or a grey market product. We only have our own stores or we operate in good department store chains or design stores. And I assume that nowadays, consumers pretty much understand that you cannot find for example a Louis Vuitton purse in some discount chain. (Design brand Y)

We have large, trustworthy retailers in Russia. And then we have our own stores that are obviously quite certain a choice. And our own online store. But the retailers. We have tried to choose big enough players so that they would be trustworthy per se. (Reima)

Of course we are really careful about who our retailers are. We will not give our selling rights to anybody. So we pick our partners very carefully. (Artek)

In addition to the brick and mortar stores that are still numerous, the informants discussed the use of online stores. The same rules that apply to the former are relevant in relation to the latter. According to the informants, having the brand manufacturer’s own online store is a way of allowing the customer to make a safe choice and avoid having to wonder whether a product is genuine. One informant told that they did not have an online store and that they did not want to take responsibility for any products ordered online because they might be counterfeits.

We have online sales, of course, where you can buy straight from us. (Clothing brand X)

We have the online store so if people really are scared, they can do business straight with us. (Lundia)

Every online store that sells our products should basically be an authorised, high-quality webstore. (Design brand Y)

Brand manufacturers do not see avoiding selling in places where counterfeits are common or withdrawing from a market due to the existence of counterfeits as relevant
CAMs. Even though the informants had encountered counterfeits in their market on several occasions, they had chosen other ways of dealing with the issue than withdrawing. None of them recalled ever withdrawing from a market or consciously avoiding selling in districts that have a strong counterfeit reputation.

I have not felt that the confusion would have become so big that we would have had to withdraw. (Reima)

4.2.4. Perceptions of price-related CAMs

None of the informants interviewed for this study perceived lowering the price of genuine products as an effective CAM. In fact, the thought of it was greeted with scepticism. Brand manufacturers base their pricing decisions on other factors, and they do not believe that lower prices could have a desirable effect on customers’ buying behaviour. They assume counterfeits to be less expensive than genuine products, but they do not believe that the people that buy counterfeits would buy genuine products if they were less expensive. The people that buy counterfeits for their low price are not perceived as relevant customers.

We have not thought about it from that perspective, that I know of. Our prices are determined by other factors. (Reima)

Lowering prices is not an unpopular CAM among brand manufacturers only because it is seen as ineffective. Most of all, it is seen as harmful to the image of the brand manufacturer. Most of the informants were very clear about the significant role of the high-quality image of the brand manufacturer, and they did not want to take the risk of negatively affecting that image by lowering prices. They argued that high prices indicate high quality, which is what they want to offer.

Keeping the price at a certain level is a guarantee of quality. (Reima)

One informant also discussed the possibility of raising prices. This CAM was, however, seen as equally irrelevant, because raising prices was seen as something that would merely drive customers away. All in all, adjusting the price of genuine products is not perceived as an attractive CAM from the perspective of brand manufacturers, which is why it is neither used nor considered.

Our products are not that inexpensive, you know. You cannot make them inexpensive even if you tried. So from that perspective, raising prices, well, how high should you raise them for them to be perceived as genuine, and will anyone be able to afford them then? The counterfeiters take care of that issue, their products are usually inexpensive. We do not have to raise our prices. (Reima)
Contrary to their disinterest in adjusting the price of genuine products, brand manufacturers are very keen on offering less expensive product lines. Nearly all of the informants mentioned offering lines of less complex, less expensive products that are meant to be easily accessible to the customers that cannot afford expensive products or that do not want to purchase them. The informants believed this to be a good way of enabling these customers to feel close to the brand without having to make significant investments. However, the informants did not believe that a counterfeit-buying person could be persuaded into buying genuine products simply by offering less expensive options. This measure was merely seen as a way of attracting potential customers early on so that they would not even begin to experiment with counterfeits.

There are always the customers who want to have a little piece of our brand, those who only want something small. We always offer something small so that everyone can have a piece of us, maybe just a coffee cup or an umbrella. We do make sure that we offer our fans and our customers different things in different price groups. (Design brand Y)

We launched the Lundia System boxes precisely because we wanted to offer something for those consumers that want to belong to the Lundia family but that cannot afford a whole piece of Lundia furniture or a bigger solution in their current situation. (Lundia)

We have our own line of small-scale products, you know, little things for the home. We have textiles and stationary and trays and the like. And they actually sell really well. (Artek)

Less expensive product lines are considered and evaluated equally thoroughly as expensive ones. The products that they include are close to what the brand manufacturer offers in general, meaning that a clothing brand manufacturer might for instance choose to offer accessories. One informant mentioned offering a line of memorabilia type of products, such as posters.

It is not just the small-scale products, but also books and posters and the fabrics and everything. People are really interested in all of that merchandise that fits our view of the world and the lifestyle that we represent. (Artek)

Another way of offering less expensive product lines to price-conscious customers is to start with the original, expensive product and continue with slightly altering it so that it can be produced and sold more cheaply. This can mean, for instance, fewer details or a slightly lower quality as compared to the more expensive product. Brand manufacturers take advantage of this opportunity both by adding special features to the already expensive product or by changing its production process in a way that it can be sold at a lower price.

With Reima products, the price scale is quite wide. We have the top-notch, super-efficient Reimatec+ jackets, and then we have the more inexpensive options that are still waterproof and have all the other good qualities. But obviously, they lack some of the fancy details that the ski jackets have. You can get the exact same Reima experience by purchasing that jacket. (Reima)
Currently we are in a situation where luckily, our exports have grown enough so that we can also produce a type of B- or C-quality. So we have this top-notch A-quality but then if anyone asks, say, for a project or for a warehouse, we have this other option. So if you still want it to be solid wood and really durable and good-looking, we have this B- or C-quality that is made of wood that has more knots. It does not require as much handwork and it is not as pretty because you know, there are a lot of knots in pine, but it is still equally durable. And the guarantee is not the same because it may have some deficiencies. (Lundia)

One informant acknowledged the risks related to the offering of less expensive, lower-quality options. They were afraid that after being given the possibility of purchasing a less detailed version of a genuine product, customers would begin to perceive it as the new normal, which might then result in a general unwillingness among customers to purchase the more expensive products. Because the brand manufacturer wanted to maintain their focus on the expensive, high-quality products, this was not a desirable outcome. For this reason, the informant did not want to advertise the less expensive option in any way. Instead, it was only available upon enquiry.

We do not market it. It is merely available if architects or project customers ask for it. It is meant for projects, and for larger, mainly export clients. But this is obviously a dangerous route and we do not want to advertise it for the exact reason that consumers will then get used to it and buy only it and suddenly we will not be able to sell A-quality. (Lundia)

Brand manufacturers have several types of special outlets where they offer products that differ from the standard and are thus less expensive. These products may be old models that are no longer in production or they may be second-hand. Sometimes they may even be more expensive if they are, for instance, collector’s items. Also unique products that may, for example, have been located in stores are often sold in outlets. Their effect on customers is seen in the same way as with other price-related CAMs. Special outlets are meant to encourage customers to buy genuine products, but they are not necessarily seen as an attractive option to the customers that are deliberately looking for counterfeits.

We have this second cycle business. We have a store on Pieni Roobertinkatu where we sell old, used Artek products, but also others. There are a lot of expensive products meant for, like, collectors. But then there is also a lot of really basic stuff, like the wooden chairs and little tables that you can purchase at much lower prices that new ones. (Artek)

4.3. Perceptions of goals

From the perspective of brand manufacturers, decreasing the demand for counterfeits is the clearest goal of all CAMs. It is seen as a supplementary goal to the one of decreasing the supply of counterfeits. Because the design brand manufacturers included in this study generally focus more on deceptive than non-deceptive counterfeiting, they perceive the goals related to non-deceptive counterfeiting as less
attractive than those related to deceptive counterfeiting. Additionally, the informants interviewed for this study were very cautious about any goals that might generate bad publicity or affect the brand image of the brand manufacturer. These goals often include taking a stance towards counterfeiting.

Brand manufacturers are fairly sceptical towards their ability to affect customers’ willingness to buy counterfeits or genuine products. This view is undoubtedly related to the overall focus of brand manufacturers on buyers of deceptive counterfeits instead of buyers of non-deceptive counterfeits. Brand manufacturers believe that consciously buying counterfeits is a distinct choice and that brand manufacturers have little authority over consumers that decide to make that choice. Some of the informants interviewed for this study expressed a nonchalant attitude towards buyers of non-deceptive counterfeits, saying that they are not interested in affecting or confronting these types of consumers. Instead, their goals concern buyers of deceptive counterfeits.

We are very well known in several markets. And when you are that well known in a market, the chances of someone buying a fake because they do not know that it is a fake, are quite low. It is, then, a choice. And in those cases, I do not know if you can even affect the buyer of a counterfeit. (Design brand Y)

At first I would probably contact them and ask in a very discreet and friendly way whether they are aware that they have bought a counterfeit. And if they were, that would be that and the conversation would be over. (Lundia)

Brand manufacturers are generally quite careful when trying to affect customers’ attitudes towards counterfeiting. Even though they see counterfeiting as a moral issue, they do not want adopt too critical a stance towards it in public. Brand manufacturers rather allow customers to conduct their own moral reasoning. The informants interviewed for this study expressed a clear negative attitude towards counterfeiting and they hoped that their customers feel the same way too. Nevertheless, they had not yet found the right means of communicating that message in a desirable way. Only one informant expressed the possibility of actually trying to affect consumers’ attitudes in practice.

I think that ethically and morally, if we do it in a discreet and clever way, we can make people think whether buying counterfeits is worth it. (Reima)

One informant expressed a clear desire to support customers’ relationship to the genuine brand. In order for customers to feel connected to it, the brand needs to differentiate itself not only from counterfeits, but also from other brands. The informant mentioned focusing on communication-related CAMs and marketing
communications in general in differentiating the brand and enabling customers to establish a stronger relationship to it.

But then we also work really hard on the brand, you know, marketing and communications to show that there is only one Lundia. (Lundia)

Consequently, brand manufacturers feel that a company’s anti-counterfeiting strategy is inseparable from their strategy in general. The two should be assessed and developed in relation to one another, not separately. The smaller the brand manufacturer, the more attached their anti-counterfeiting strategy is to their general strategy, which means that every measure they take is somehow related to fighting counterfeiting and marketing at the same time.

I constantly say brand this and brand that, so they are really intertwined. And for that reason, if a company has a written brand strategy, the IPR and enforcement strategies should be combined with it. (Design brand Y)

This is naturally also brand building and marketing at the same time, especially in a small company. And when you talk about brand or marketing in general, it is a really wide concept, as you know. But obviously counterfeits and copies are a big part of it. (Lundia)

Another informant stressed the importance of allowing customers to distinguish genuine products from counterfeits. Instead of educating customers through marketing communications, the informant emphasized the use of identification features that customers can take advantage of without necessarily having to be educated. Instead, identification features can simply be small visual cues by which customers can easily tell whether a product is genuine or not. The goal of allowing customers to distinguish genuine products from counterfeits concerns, to a large extent, buyers of deceptive counterfeits.

That the products have a distinct identification feature that allows you to ensure whether it is a counterfeit or not. (Clothing brand X)

We have had a defined look to our products that makes them easy to recognise. And we have had logos in distinct places, for example. (Clothing brand X)

All in all, brand manufacturers have a fairly realistic approach towards countering counterfeiting. They acknowledge their inability to completely eliminate the demand for counterfeits, let alone counterfeit trade in general. Still, brand manufacturers feel a need to act and take measures in order to fight the phenomenon. Brand manufacturers engage in trying to decrease the demand for counterfeits but they do not believe that they can prevent it from happening.
All in all, the counterfeiting issue is not that, how should I put it, it is not that serious in a sense. It is more like a necessary evil. It will always exist and you have to do something about it. But to make it go away completely, not going to happen. (Design brand Y)
5 CONCLUSIONS

This chapter focuses on the analysis and discussion of the findings of this study. In chapter 5.1, a connection between the theoretical framework presented earlier in this paper and the empirical part of this study is established. Similarities and differences between the two are discussed. In chapter 5.1.1, effective CAMs are discussed in general. Chapter 5.1.2 focuses exclusively on findings related to deceptive counterfeiting, whereas findings related to non-deceptive counterfeiting are discussed in chapter 5.1.3. In chapter 5.1.4, a summary of the findings of this study is presented. As for chapter 5.2, it contains the theoretical implications of this study. In chapter 5.3, managerial implications are presented to enable the effective use of the findings of this study in a managerial context. Chapter 5.4 focuses on the limitations that restrict the findings of this study. Chapter 5.4 suggests topics that this study did not give answers to and that could therefore be beneficial for future research. In chapter 5.5, concluding remarks are presented.

5.1. Analysis and discussion of the findings

The aim of this study was to examine how (design) brand manufacturers use and perceive consumer-directed anti-counterfeiting measures (CAMs). Consequently, a framework for a consumer-directed anti-counterfeiting strategy (CAS) was presented in the second chapter of this paper. It was based on Cesareo & Stöttinger’s (2015) classification of consumer-directed anti-counterfeiting measures (CAMs) into four categories. These categories include product-related CAMs, communication-related CAMs, distribution-related CAMs, and price-related CAMs. The framework included a division of counterfeiting into deceptive and non-deceptive counterfeiting, as well as set of the goals of fighting counterfeiting.

The brand manufacturers interviewed for this study perceive CAMs as secondary to other anti-counterfeiting measures when dealing with the issue of counterfeiting. According to the empirical data, brand manufacturers prefer to affect the counterfeiter before engaging customers. Their behaviour complies with the views of Chaudhry et al. (2009), according to whom looking after one’s intellectual property rights i.e. trademarks, patents and copyrights is the most common way of fighting counterfeiting. When intellectual property rights do not suffice, legal measures against counterfeiters are taken. Customers are preferably not engaged in any of this, because brand
manufacturers do not want to threaten their customers’ positive perception of the brand.

The empirical part of this study shows that brand manufacturers apply strategic thinking to their fight against fakes. Brand manufacturers acknowledge that the problem of counterfeiting is complex and that different customers buy counterfeits for different reasons. This perception is to large extent characterized by the division of counterfeiting into deceptive and non-deceptive counterfeiting. Brand manufacturers are mostly interested in buyers of deceptive counterfeits, and they feel that these customers need to be addressed differently than buyers of non-deceptive counterfeits. Therefore, effective CAMs against deceptive and non-deceptive counterfeiting are discussed successively in chapter 5.1.2 and chapter 5.1.3.

In general, CAMs are perceived as more effective when used before rather than after a counterfeiting incident has occurred. In existent literature, only Bush et al. (1989) recognize the difference between CAMs that are used proactively and CAMs that are used reactively. Contrary to what Bush et al. (1989) suggest, the findings of this study indicate that CAMs are seen as particularly proactive. Their ability to affect customers that have already bought counterfeits is perceived as minor. This perception is undoubtedly to a large extent linked to the question of deceptive and non-deceptive counterfeiting. According to the brand manufacturers interviewed for this study, buyers of non-deceptive counterfeits cannot be persuaded into buying genuine products.

Even though brand manufacturers generally share Grossman & Shapiro’s (1988) view of the existence of both deceptive and non-deceptive counterfeiting and its vital role in choosing the right CAMs, they also perceive counterfeiting as a phenomenon that can be fought as a whole. Several CAMs that brand manufacturers feel comfortable using act as proactive measures that are meant to decrease the overall buying of counterfeits i.e. they do not aim to counter either deceptive or non-deceptive counterfeiting. Before looking into the differences between countering deceptive and non-deceptive counterfeiting, these proactive CAMs are discussed in detail in the following.

5.1.1. Effective CAMs against counterfeiting in general

According to the brand manufacturers interviewed for this study, the genuine product and especially its high quality are the most significant factors when countering counterfeiting. The importance of quality is also mentioned by e.g. Zhang et al. (2012),
but its superiority compared to other CAMs is not perceived as remarkable in counterfeiting literature as among brand manufacturers. Brand manufacturers put large amounts of time, effort, and resources into producing high-quality products that counterfeiters cannot imitate. Their views are in accordance with those of Randhawa et al. (2015), according to whom building an exclusive brand image is effective because a counterfeit can never offer the same experience as an exclusive genuine product. As Stumpf & Chaudhry (2010) argue, communicating the superiority of the genuine product to customers is an effective CAM. The brand manufacturers interviewed for this study, too, perceive it as important, which is why they actively use advertising to highlight the high quality of their products.

Origin is something that several of the brand manufacturers interviewed for this study emphasize in their fight against fakes. This factor may be especially typical of the design industry that often emphasizes the role of the individual designer in the creation of a product. In this study, origin refers to both where and by whom the product is designed and manufactured. To the best of my knowledge, origin is not mentioned as a CAM in counterfeiting literature. This may be due to the fact that studies on counterfeiting tend to focus on other sectors than the design industry. However, design brand manufacturers perceive origin as a significantly relevant factor to their customers. Thus, brand manufacturers emphasize the origin of their products in their marketing communication, hoping to engage customers in buying genuine products instead of counterfeits.

According to the findings of this study, brand manufacturers are in general exceptionally cautious about using communication-related CAMs. Even though Cesareo & Stöttinger (2015) argue that this is due to the fear of investing in something that does not yield results, the brand manufacturers interviewed for this study justified their cautiousness with other reasons. According to the empirical data, brand manufacturers perceive counterfeiting-related communication as negative and something that customers see as a sign of weakness. Hence, they fear that it might have a negative impact on brand image. Herstein et al. (2015), too, argue that negative messages are generally perceived as ineffective. Hence, brand manufacturers rather use other, more ambiguous CAMs than communication-related ones. Acknowledging the fact that communication-related CAMs can focus on positive messages might help brand manufacturers to see that they, too, can be effective.
Yang et al. (2004) suggest engaging governmental actors, non-governmental organisations, and consumers themselves when applying communication-related CAMs, such as advertising campaigns. The brand manufacturers interviewed for this study felt positive about the possibility of working together with other brand manufacturers and organisations in order to discuss the issue of counterfeiting in public. An organisation-lead campaign might be a solution to the problem of brand manufacturers not wanting to communicate counterfeiting-related issues to their customers. If a campaign was primarily associated with an organisation instead of an individual brand manufacturer, brand manufacturers could safely take part in it without having to fear losses in brand image.

Justifying price premiums is seldom discussed as an effective CAM in counterfeiting literature, but according to the brand manufacturers interviewed for this study, it is a highly potential measure. Cesareo & Stöttinger (2015) and Herstein et al. (2015) suggest justifying to customers why a genuine product is more expensive than a counterfeit, which is what several brand manufacturers have at least considered doing. Several brand manufacturers feel that their customers have lost their ability to distinguish between high-quality materials and low-quality ones and that they do not understand how expensive producing genuine products in Finland is. Brand manufacturers call for education and value-driven choices, but they are hesitant to lead this type of discussion. Cooperating with organisations and other brand manufacturers might offer a suitable and unthreatening platform for a price-related discussion.

To take communication-related CAMs even further, one of the brand manufacturers interviewed for this study suggested two-way communication with customers by allowing them to share their stories related to counterfeits. The same measure is suggested by Cesareo & Stöttinger (2015), who believe that these types of stories could be used in anti-counterfeiting campaigns. Whereas Cesareo & Stöttinger (2015) emphasize the role of websites in allowing two-way communication between the brand manufacturer and their customers, the brand manufacturers interviewed for this study did not want to engage their customers through websites. Instead, they saw social media as a potential platform for communication-related CAMs. This is something that brand manufacturers might want to engage in more in the future. As for now, due to the lack of research focusing on the role of social media in countering counterfeiting, assessing its functionality is difficult.
Even though e.g. Lybecker (2007) and Berman (2008) recommend encouraging customers to report counterfeits, the brand manufacturers interviewed for this study do not perceive this as a useful CAM. Deliberately encouraging reporting and authenticating behaviour is seen as a catalyst for unnecessary expenditure that does not result in desirable outcomes, such as customers’ stronger relationship to the brand manufacturer. Reporting back counterfeits and authenticating genuine products represent two-way communication in its purest form, but brand manufacturers want to engage in two-way communication in other ways, focusing on issues that have a positive tone and that are beneficial for instance from the perspective of brand building.

A fundamental distribution-related CAM discussed in research focusing on counterfeiting is customer service (e.g. Yang & Fryxell, 2009). Brand manufacturers, too, perceive its role as fairly significant. The benefits of customer service include its possibility to answer the needs of different types of customers. On the one hand, offering special benefits, such as a free-of-charge repair service, is seen as a way of engaging the customers that have already committed to purchasing genuine products. Offering them something extra guarantees that they will not switch to counterfeits, because counterfeiters do not offer special benefits (Yang & Fryxell, 2009). On the other hand, offering special payment agreements to customers that question whether they can afford genuine products is a way of inviting them to join the brand from early on, so that they can avoid the temptation of purchasing less expensive counterfeits in the first place.

5.1.2. **Effective CAMs against deceptive counterfeiting**

The findings of the empirical part of this study reveal that deceptive counterfeits are perceived as far more common among industries such as design than what current research on counterfeiting suggests. Deceptive counterfeiting is traditionally associated mainly with products such as pharmaceuticals (Shultz II & Saporito, 1996) and alcohol (Green & Smith, 2002) that have a direct impact on the health and safety of consumers, whereas designer products have been perceived to attract mainly non-deceptive counterfeiters. Hence, little research focusing on deceptive counterfeiting has been conducted for example from the perspective of the design industry. However, some of the most significant counterfeiting incidents the brand manufacturers interviewed for this study had experienced were notably deceptive.
The lack of research focusing on deceptive counterfeiting from the perspective of industries such as design has clear implications. Design brand manufacturers lack the tools needed to fight deceptive counterfeiting, because the tools that are currently available are perceived as better suited for other types of industries. Because of this, design brand manufacturers are hesitant to apply the CAMs that are typically used against deceptive counterfeits.

Allowing customers to distinguish between a genuine product and a counterfeit is a somewhat conflicting goal to many brand manufacturers. As Cesareo & Stöttinger (2015) argue, it is the main goal regarding buyers of deceptive counterfeits. Brand manufacturers perceive it as a relevant goal, but they are not excited about explicitly educating their customers. Being too straightforward is perceived as unnecessary and harmful to the overall message the brand manufacturer wishes to convey. Hence, many brand manufacturers strive to maintain a balance between staying slightly ambiguous and at the same time, keeping the ability of their customers to distinguish between genuine products and counterfeits at a satisfactory level. It must, however, be noted that some brand manufacturers interviewed for this study felt positive about openly educating their customers about counterfeits and that they did not feel that being straightforward could be harmful to their brand image.

Brand manufacturers generally feel optimistic about the possibilities that authentication technologies can offer. The empirical part of this study shows that some brand manufacturers already use technologies such as authentication certificates (Cesareo & Stöttinger, 2015). Several brand manufacturers had also been offered more expensive solutions, but they had not yet given them a try. Authentication technologies allow the consumer to distinguish a genuine product from a counterfeit (e.g. Shultz II & Saporito, 1996; Yang et al., 2004; Yang et al., 2008), which is what brand manufacturers look for when applying them. In other words, authentication technologies are meant to tackle deceptive counterfeits. Brand manufacturers may become more interested in the more intricate authentication technologies in the future, as they develop and become more cost-efficient.

Another way of efficiently fighting deceptive counterfeiting is to maintain a trustworthy retail network. This applies to both online and offline sales. Several of the brand manufacturers interviewed for this study argued that their products are sold only in large or otherwise well-known stores that their customers should easily be able to recognise as trustworthy. This type of behaviour is a variation of authenticating stores
that is a CAM suggested by Cesareo & Stöttinger (2015). Some of the brand manufacturers interviewed for this study had previously authenticated their stores with the help of e.g. certificates, but most of them had given up this measure since. They feel that the good image of their retailer acts as an authentication certificate that their customers can rely on.

5.1.3. Effective CAMs against non-deceptive counterfeiting

Based on the empirical data of this study, non-deceptive counterfeiting exists among the design industry, but brand manufacturers are not interested in fighting it excessively. Brand manufacturers agree with the views of Bush et al. (1989) and Bloch et al. (1993), according to whom buyers of non-deceptive counterfeits look for a distinct appearance whereas the functionality of the counterfeit is secondary. Brand manufacturers perceive high quality as one of the most important factors in fighting counterfeiting, but since buyers of non-deceptive counterfeits do not care about quality, focusing on it does not affect them. Consequently, brand manufacturers do not believe that these types of consumers can be converted, which is why they rather focus on buyers of deceptive counterfeits that do care about quality.

Brand manufacturers’ disinterest in buyers of non-deceptive counterfeits is understandable, yet harmful. Persuading someone who has bought a counterfeit into purchasing a genuine version of the same product is undoubtedly difficult. Nevertheless, the brand manufacturers interviewed for this study clearly fail to see that genuine products and counterfeits may actually be consumed simultaneously and that buying counterfeits does not necessarily mean that a person is not interested in genuine products. By excluding buyers of non-deceptive counterfeits from their customer base, brand manufacturers refuse to take advantage of a potential customer segment. In other words, it is simply money going down the drain.

Existent research is fairly unanimous as to what motivates people to buy non-deceptive counterfeits. As e.g. Bush et al. (1989), Bloch et al. (1993), and Yang et al. (2004) suggest, low price is the most significant reason for why people deliberately buy counterfeits. Brand manufacturers share the same view. Offering equally low prices is not, however, an attractive option to brand manufacturers, because they do not want to endanger their prestigious brand image. As Cesareo & Stöttinger (2015) argue, brand manufacturers believe that consumers associate a prestigious brand image with high price, which is why lowering prices is not considered an option.
Even though brand manufacturers do not want to adjust the price of genuine products in general, they are very active in offering less expensive options. The use of a less expensive sister brand (Cesareo & Stöttinger, 2015) is not common, but brand manufacturers do apply other measures that enable the offering of less expensive products. Offering old product lines (Herstein et al., 2015) and second-hand options (Cesareo & Stöttinger, 2015; Herstein et al., 2015) in special outlets are among the measures that brand manufacturers use to attract price-conscious customers. Brand manufacturers feel that by offering less expensive options, they are able to establish a relationship to their potential customers early on, so that when the same customers grow wealthier, they will proceed to the more expensive genuine products more easily.

The most common way of offering less expensive products among brand manufacturers is to offer lines of small-scale products that are secondary to the brand manufacturer’s main products. For instance, a furniture brand manufacturer could engage in home decoration or a clothing brand manufacturer could offer a line of accessories. The important thing is that the complementary line of products is somehow connected to the industry the brand manufacturer already operates in. The offering of small-scale products is a versatile measure in the sense that its main objective is not to fight counterfeiting, but to increase the brand manufacturer’s customer base in general. Nevertheless, its role in preventing customers from buying counterfeits should not be downplayed.

5.1.4. **Summary of the findings**

The findings of this study indicate that brand manufacturers apply different CAMs in different situations. Some CAMs are perceived as effective against counterfeiting in general, whereas others are perceived as effective against either deceptive or non-deceptive counterfeiting. A summary of what CAMs the brand manufacturers interviewed for this study find as the most effective are presented in Table 7.
Table 7  Summary of effective CAMs

<table>
<thead>
<tr>
<th>Effective CAMs</th>
<th>Against deceptive counterfeiting</th>
<th>Against non-deceptive counterfeiting</th>
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<tbody>
<tr>
<td>High quality</td>
<td>x</td>
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<tr>
<td>Emphasising high quality</td>
<td>x</td>
<td>x</td>
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<tr>
<td>Origin</td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td>Emphasising origin</td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td>Justifying price premiums</td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td>Providing customer service</td>
<td>x</td>
<td>x</td>
</tr>
<tr>
<td>Issuing authentication technologies</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Providing a trustworthy retail network</td>
<td>x</td>
<td></td>
</tr>
<tr>
<td>Providing less expensive products</td>
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<td>x</td>
</tr>
</tbody>
</table>

In their proactive fight against counterfeiting, the brand manufacturers interviewed for this study rely on high quality and origin, as well as emphasising them through e.g. advertising. Origin is something that existent literature does not, to the best of my knowledge, acknowledge as a CAM. Additionally, justifying price premiums and providing customer service are seen as effective in the overall fight against fakes. Regarding deceptive counterfeiting, brand manufacturers prefer to focus on issuing authentication technologies and providing a trustworthy retail network. Providing less expensive products is seen as an effective CAM against non-deceptive counterfeiting.

5.2. Theoretical implications

This study sheds light on a potential CAM that existent literature on counterfeiting does not discuss. Paying attention to the origin of a genuine product and emphasising it through e.g. advertising is something that previous studies have to the best of my knowledge not considered as CAMs. Origin refers to both where and by whom the product is designed and manufactured. This CAM may be especially characteristic of the design industry, but it may also be applicable to other industries.

This study contributes to research by offering a framework for a consumer-directed anti-counterfeiting strategy (CAS). This framework is built on the conceptualization of CAMs by Cesareo & Stöttinger (2015) into product-related CAMs, communication-related CAMs, distribution-related CAMs, and price-related CAMs. It develops this conceptualization further by taking into consideration the existence of both deceptive and non-deceptive counterfeits, as well as the different goals related to different types of CAMs. Based on this framework, differentiated strategies against deceptive
counterfeiting, non-deceptive counterfeiting, and counterfeiting in general can be developed.

Since the publication of the article of Grossman & Shapiro (1988), the concepts of deceptive and non-deceptive counterfeiting have been an integral part of counterfeiting literature. The concept of deceptive counterfeiting has been perceived as typical of certain types of industries, whereas non-deceptive counterfeiting has been perceived as typical of other types of industries. This study shows, however, that the understanding of deceptive and non-deceptive counterfeiting as characteristic of different types of industries is out-dated. Industries that are typically associated primarily with non-deceptive counterfeiting may in fact experience deceptive counterfeiting equally often, and vice versa.

Unlike many studies to date, this study did not focus exclusively on large brand manufacturers. Some of the brand manufacturers interviewed for this study were notably international and fairly large, but others were rather local, operating mainly in the Finnish market. The resources of a small brand manufacturer are, too, small, which undoubtedly affects the way they use and perceive CAMs. Hence, this study contributes to the understanding of how small companies fight counterfeiting.

5.3. Managerial implications

In their fight against fakes, design brand manufacturers should see the role of both deceptive counterfeiting and non-deceptive counterfeiting. The two most effective ways of countering deceptive counterfeiting is to use technological solutions such as serial codes or labels, and to build a trustworthy retail network. Even though investing in buyers of non-deceptive counterfeits may often seem as a waste of time and money, they are still a potential customer segment. Buyers of non-deceptive counterfeits can be reached before they make their first counterfeit purchase primarily by offering them small-scale products such as accessories at lower prices.

The most effective measure that brand manufacturers can take to counter counterfeiting through customers is to focus on the high quality of their products. High quality differentiates genuine products from counterfeits the most explicitly, making them attractive to customers. High quality can mean different things for different brand manufacturers, but an overall focus on the fact that genuine products last and endure is essential. One successful way of achieving this goal is to focus on choosing the
right materials. For some products this might mean durable materials, whereas for others it might mean luxurious materials.

Brand manufacturers are generally reluctant to engage in communication-related CAMs. Paradoxically, they wish that their customers were more educated about counterfeiting. External organization-lead educational campaigns could be a solution to this problem. Brand manufacturers could take part in different types of consumer-directed anti-counterfeiting campaigns depending on what issues they perceive as the most relevant. Since these types of campaigns would primarily be associated with an external organization, brand manufacturers would not have to fear for bad publicity or losses in brand image.

Brand manufacturers should considerably more often engage in justifying their price premiums to customers. Customers are not aware of how much designing, producing, and marketing genuine products costs, which is why they perceive the prices of genuine products as too high. This, in turn, leads to the buying of counterfeits. If consumers were educated about who is eventually paid for the products that they purchase and how much, they might become more approving of paying a price premium. In addition to price-related issues, this type of communication could include factors such as where the product is produced, by whom it is designed, and how much effort has been put into producing it.

5.4. Limitations

Since the focus of this study was on design brand manufacturers, its findings may not be applicable to companies that operate among other types of industries. The counterfeiting experienced by design brand manufacturers may differ from the counterfeiting experienced, for instance, by pharmaceutical companies. Hence, the way pharmaceutical companies use and perceive CAMs may also be different.

This study included brand manufacturers that operate in several fields among the design industry. The most notable difference between these brand manufacturers was their division into those that manufacture and sell clothing and accessories and those that manufacture and sell furniture. The brand manufacturers that focus on furniture had somewhat differing perceptions as compared to those that operate among clothing and accessories. Hence, applying the findings of this study to all design brand
manufacturers regardless of which field they operate in should be done with consideration.

Since this study focused on perceived effectiveness rather than actual effectiveness, it does not automatically give a truthful answer to the question of whether an individual CAM actually affects attitudes, emotions, or buying behaviour. Even though brand manufacturers perceived a CAM as effective in countering counterfeiting, consumers might behave contrary to that perception. Furthermore, this study was limited to managerial perceptions of effectiveness. Consumers’ perceptions as to how effective individual CAMs are may be remarkably different from those of managers.

5.5. Suggestions for future research

The topic of social media raised discussion during the course of this study. Several of the brand manufacturers interviewed for this study perceived its role as remarkable and discussed the possibilities of countering counterfeiting through social media. Due to the timeliness of the topic, research on using social media in the fight against fakes is extremely limited. Hence, further research is needed to understand in what ways social media can be employed to decrease the demand for counterfeits.

Since the role of deceptive counterfeits was deemed as more significant among industries such as design than what existent literature suggests, it might be beneficial to conduct a study among design brand manufacturers that focuses exclusively on deceptive counterfeiting. This type of a study could help us understand how deceptive counterfeiting can be countered not only in the pharmaceutical or auto industry but also in industries such as design. It might also give us new insight as to what CAMs are available in the first place.

Since the focus of this study was on perceived effectiveness, future research is needed to study the actual effectiveness of CAMs. This could mean, for instance, the studying of consumer behaviour before and after the use of individual CAMs. Since this study focused on managerial perceptions, another relevant option would be to study consumer perceptions. This type of research would help us find out whether the perceptions of brand manufacturers and the perceptions of consumers are alike. This, in turn, would provide brand manufacturers with the ability to fight counterfeiting more efficiently.
Since this study was conducted among Finnish design brand manufacturers, it does not give straight answers as to how brand manufacturers in other countries use and perceive CAMs. In order to understand how CAMs are used and perceived in different parts of the world, further research in multiple different countries is needed. This type of research would help us to find out whether some CAMs are remarkably country-specific and whether their effectiveness varies depending on which audience they are targeted at.

5.6. Concluding remarks

This study focused on how to counter counterfeiting through customers. Its aim was to examine how (design) brand manufacturers use and perceive consumer-directed anti-counterfeiting measures (CAMs). Based on existent literature, a framework for a consumer-directed anti-counterfeiting strategy (CAS) was suggested. It included a division of counterfeiting into deceptive and non-deceptive counterfeiting, as well as a compilation of the goals of different CAMs. Finally, it included a categorisation of CAMs into product-related CAMs, communication-related CAMs, distribution-related CAMs, and price-related CAMs, as suggested by Cesareo & Stöttinger (2015).

After the construction of the theoretical framework, an empirical study among six design brand manufacturers was conducted. The findings of this study indicated that deceptive counterfeits are more frequent among the design industry than is commonly assumed. Design brand manufacturers perceived the high quality and origin of genuine products, justifying price premiums, and providing customer service as the most efficient means of countering counterfeiting through customers. Authentication technologies and a trustworthy retail network were perceived as the most effective CAMs against deceptive counterfeiting, whereas offering less expensive products was perceived as the most effective CAM against non-deceptive counterfeiting. Based on these findings, theoretical as well as managerial implications were discussed. Finally, the possibilities that this study offers for future research were presented.
REFERENCES


APPENDIX 1  INTERVIEW GUIDE

Part 1

3) How long have you worked for the company you represent? What responsibilities have you had? What responsibilities do you have now?

4) What kind of a role does counterfeiting play in your work?

5) How much does your company, in general, pay attention to counterfeiting? How much or how often do you monitor counterfeits?

6) How much do you think that your products are counterfeited? Why so?

7) What do you think about counterfeiting? Do you see anything positive in it? What? Why/why not?

8) Do you think that counterfeiting has changed over the years? Why/why not? How?

9) Do you think that the internet, social media and/or digitalisation have affected counterfeiting? How? Have they affected you and your approach towards counterfeiting? How? Have they affected your customers? How?

Part 2

10) Please tell me about how your company fights counterfeiting. Do you feel that what you are doing now is working? Do you feel that what you are doing now is enough? How can you tell? Have you always fought counterfeiting in these ways? Have you previously fought counterfeiting in other ways? Have you discarded some options? Why? Have you considered other options? Why have you not adopted them? What do you think that your customers think about the ways in which you fight counterfeiting? Do you think that they affect your customers? How? How can you tell?

11) When did you become aware of your products being counterfeited? Did a specific incident occur? What kind of an incident? How did you deal with it?

12) Please tell me about other counterfeiting incidents regarding your company. How did you deal with them?

13) Have you experienced any failures when fighting counterfeiting? What kinds of failures? When? What did you learn from them?


15) What do you aim at in fighting counterfeiting? Do you think that you have reached your aim? Why/why not?

Part 3
16) In your products, is there something specific that allows your customers to easily recognise them? What? How did you come up with this solution? Do you think it works? How can you tell?

17) Do you think that counterfeiting should be discussed more in public? Why/why not? Have you been in contact with the media regarding counterfeiting? When? How? What happened?

18) Have you ever communicated counterfeiting to your customers? When? How? Did you get a response? If you have not, could you imagine doing so? Why not?

19) Do your customers worry about counterfeiting? Are they in contact with you regarding the subject? How? How often? What channels do they use? What do they think about counterfeiting? Do you answer them?

20) Do you think that your customers know how to look for genuine products in the right places? How can you tell?

21) Why do you think people buy counterfeits, in the first place? Do you think price has anything to do with it? Do you think that you could change the price of your products in order to affect counterfeiting? How? Why/why not?

22) Can you think of some other ways to fight counterfeiting? What do you think about them? Do you think they could be useful? Why/why not?

Part 4

23) Let us assume that a serious counterfeiting incident regarding your company happened. How would you react? In a situation where another designer company copies your products and sells them under its own brand? In a situation where cheap counterfeits of your products are produced and sold to your customers without them knowing that they are counterfeits?

24) Based on your own experiences, how would you advise a designer company to fight counterfeiting? What would you encourage them to do? What would you recommend them to avoid?