

# Brand Protection: Challenges and Solutions



Mr. Pradip Shroff is the President of HOMAI, Board member of IHMA, and Vice-chairman of PRS Permacel Pvt Ltd. He is a B.Tech from IIT Mumbai, M.S. from Case Western Reserve University, USA, and accredited by Coaching foundation India Ltd as a CEO Coach. He has worked with Johnson & Johnson India for almost 25 years and has been involved in developing solutions for Brand protection for over 35 years.

**There are several forums of industry associations who have sub committees to discuss the loss to the industry due to brand attack. Frequently, these sub committees end up in recommending to the government what it can do in terms of tightening the laws or enforcement of the laws.**

**B**rand has been considered as one of the most valuable assets for a company. In today's world, several brands are under attack from various angles. These attacks can be in the form of counterfeiting, tampering, pilfering etc. Each of these lead to erosion of brand value, loss of market share, profit and above all dissatisfied customers.

The importance of brand attack and its impact to the brand owner, government, society and consumer has been a matter of debate and discussion at several forums. There are several studies and attempts made to quantify the loss. However, one important facet appears to have been missed out in most of the discussions as to what is the way out. Is there a solution and what is the responsibility of each of the stake holders in the process of fighting this menace? There are several forums of industry associations who have sub committees to discuss the loss to the industry due to brand attack. Frequently, these sub committees end up in recommending to the government what it can do in terms of tightening the laws or enforcement of the laws.

In as much as brand is the property of a company, the brand owner or the CEO should assume the primary responsibility to lead all the efforts required to protect the company brand from being attacked. Each company CEO/brand owner should take a proactive approach and not wait for a reactive approach.

Highlighted below are some of the case studies or examples of why the various efforts have not resulted in arresting brand attacks:

## Case 1

A Sales person (perhaps for not having achieved his sales target) complains to the Sales Management that there are duplicate products available in his territory. The Sales Manager will perhaps ask him to buy some samples. These samples, along with primary information, are then passed on to the Legal Department of the company to initiate action. Legal Department is either not able to take action or if the evidence is strong, organisations are raided but when the raids are conducted nothing concrete is found. Perhaps the information

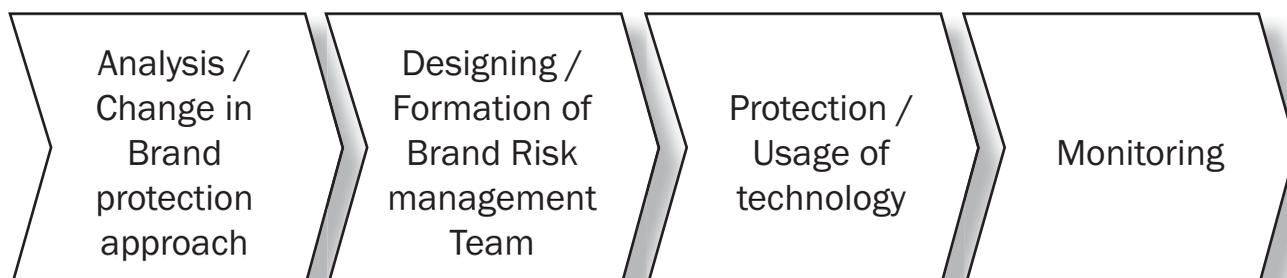


Fig. 1: Integrated Holistic brand protection strategy

about the likely raid was leaked out and hence no evidence was traced.

### Case 2

Based on advance intimation or use of a private detective a raid is conducted and goods are confiscated. The guilty person is released on bail, the matter is delayed and the case continues for years. The counterfeiter opens another factory and restarts his business.

### Case 3

Another similar example. A company develops a new track and trace solution but few influential or dominating Sales persons and the Distributors rationalise that such approach will reduce the sales of the company and forces the company to withdraw such solutions.

### Case 4

A packaging technologist is asked to find out a technology which is very novel, but easy to identify. Unfortunately whatever he adopts is copied in a short time.

### Case 5

A packaging technologist develops a new technological solution. Purchasing officer floats a tender to all suppliers giving all details of features and specifications required

of the product. The order is given to the supplier who has quoted the lowest price. This can end up with several prospective suppliers who do not supply to the original company but can now do business with contributors.

### Case 6

A CEO or brand owner feels that he has tried everything possible and nothing works because all previous attempts have been either copied or have not been easy to use by customers. Hence, the solution is not with him but it is with the government.

These are some of the examples that clearly indicate that there is a need to change from stray piecemeal efforts to total integrated solutions. The key elements of the need for total integrated solutions are:

## Solutions

### By Brand Owners:

There is a need of creating an end-to-end solution, intrinsic part of a holistic brand protection strategy; (see fig. 1)

**1. Analysis / Changes in approach towards Brand protection:** As a first step, every CEO or Brand owner should take the responsibility of brand attack and need to make the Brand Risk Management

(BRM) as part of his business plan, review and report. The team can comprise of CEO/ Brand owner, /Brand Managers/ Head of Marketing / Product development/ Sales /Logistic/ Packaging/Manufacturing, etc and or outside consultant accountable for brand. The team can periodically review the BRM by analysing various issues like:

- i) product categories & markets
- ii) buyer profiles
- iii) supply chain management and SWOT analysis of counterfeiters.

**2. Make a customized totally integrated solution** by increasing the participation of co-opting consumer, channel partner conducting verification, raids or ensuring strong law enforcement.

**3. Use technology:** Use a secure anti-counterfeiting device comprising overt<sup>3</sup>, covert<sup>4</sup> & forensic<sup>5</sup> security feature. Examples of such tools are security hologram seal and labels, tamper evident security films, and light-sensitive ink designs. While there are any number of technologies brand manager can use, it is better if it is decided at an early stage with some basic guidelines such as:

- i) Find a vendor who can provide



Fig. 2: Picture of Microsoft website which defines its steps in product protection.



Fig. 3: An example of flyer, which can be downloaded from microsoft website.

you overt as well as covert technologies as it is more important to select a solution using multiple technologies;

ii) Get help from trade association in selecting ethical vendor, best practices and resources for fighting counterfeiting;

iii) Select the technology in terms of parameters like how difficult to copy / tamper evident (preferably patented), uniqueness, how many suppliers available, easy to identify and user friendly;

iv) Solutions should also have feasibility to be integrated with the automated production /packaging line if required, especially wherever the volumes are real large;

v) Try to combine low and high security elements to enhance protections, for example, by integrating a sequential or unique numbers in the solution.

**4. Monitoring and developing an Intellectual property strategy**

**By Government:**

“Brand Risk Management” should be treated as part of risk management under the direct responsibility of board of directors / brand owners. The vision and mission statement should be communicated to all the stakeholders and customers to ensure that the Brand Protection concern is communicated to all concerned. This can be done by putting up on the company corporate governance, annual report, intranet in text and video. (for example, companies like HP / Microsoft have a section on their website which defines their steps in product protection). (see Fig. 2 and 3).

As an initial step Government can make mandatory for every company to incorporate “Brand Risk Management” as part of their annual report for welfare of stakeholders.

**Conclusion:**

Negative impact of counterfeiting can be diminished to a great level if it becomes a part of every brand strategy - plan and review process-with the accountability of the brand owner towards its most valuable asset - i.e., Brand.

Fighting counterfeiting is a Brand issue, when managed well will result into:

- Consumers getting right products at right prices;
- Manufacturers gaining higher market share, increase in brand value and profits;
- Government receiving increased revenue which can be used for betterment of society;
- One channel of funding terrorism will be dried.

*Bibliography:*

1. **HoMAI** : Hologram Manufacturers Association of India.
2. **IHMA**: International Hologram Manufacturers Association
3. **Overt Feature**: Feature which can be seen with naked eye.
4. **Covert Feature**: Features which can be seen with economical tools i.e. magnifier glass/ readers etc.
5. **Forensic Feature**: Which can be tested/ seen at laboratories.