SOLUTION TO PERMANENTLY STOP SALE OF FAKE, SPURIOUS, PIRATED AND DUPLICATE PRODUCTS

EXTENT OF PROBLEM OF FAKE

- The problem of fake/duplicate product is perceived across all industries and its extent varies from 5% to 40% depending on industry.

As per unofficial estimates the industry % FAKES

- Pharma   =   5-30
- Packaged Eatables   =   10-20
- FMCG products   =   5-35
- Machinery and spares   =   5-27
- Audio/video CDs/DVd's   =   5-30
- Consumer electronics   =   5-10
- Computers, software's   =   5-25
- Important documentations   =   5-10

Refer FICCI report

REASONS FOR SALE OF FAKE PRODUCTS

In order to permanently kill the production of fakes, we need to understand the reason and economics behind it. The main reasons for existence of fake producers are –

- **Economics**: They make quick huge profits as the cost of producing fake is negligible as compared to original product. Sale of fakes continues till the process is bringing economic gain to fake producers

REASONS FOR SALE OF FAKE PRODUCTS

- **Un-Traceability**: They remain untraceable as there are no links or address on product package leading to fake factories. Hence fake producers get away from being caught and consequent legal action.

- **No means to check genuineness immediately:** There are presently no means available with ordinary buyer to know immediately at the time of purchase whether he has purchased original or fake . Buyer has to believe on shop owner to know genuineness of product at present . In most of the cases fakes are sold through connivance of shop owner so buyer does not get true picture

EXISTING METHODS TO COMBAT FAKES

- Frequent change in design or packaging

- Selling through authorized outlets

- Use of RFID tags

- Use of 2D/3D holograms

SHORTCOMINGS IN EXISTING METHODS

FREQUENT CHANGE IN PACKAGING

- Costly , recurring expenditure

- Confuses customer between fake and genuine

  Products ,hence indirectly helps fakes

- Customer can not preserve the brand image due to frequent change in style and shape of packaging

SHORTCOMINGS IN EXISTING METHODS

HOLOGRAM

- Customer does not know what is original hologram design

- Customers cannot differentiate between similar looking holograms

- Similar looking holograms are very cheap to make for fake producers

SHORTCOMINGS IN EXISTING METHODS

CHANNEL OF AUTHORISED SELLER

◦ Sales take place from outlets other than company showrooms hence closing it will hamper business.

◦ Fakes are sold with connivance of retailers and hence channel of authorized seller is not very effective in preventing sale of fakes.

RFID TAGS

◦ Costly

◦ Customer is not involved in checking process. Hence bad sellers or retailers can still sell fake

BASIC DEFICIENCY IN EXISTING METHODS

▸ Do not utilize the most important link i.e. Customer/purchaser in verification process.

▸ Not give result immediately.

▸ Do not establish direct communication with manufactures during verification process

CONCEPT OF LABEL 9420

- Uses customer in process of verification.

- Uses the modern technology to establish direct contact between manufacturer and customer.

- Use of sms , telephone, mobile, fax ,email, web for instant result

METHOD

- One data command center shall be established.

- At the time of production one label shall be pasted on each product with unique codes under scratchable film (like in prepaid cards).

- The unique code and product details like Name , MRP, Date of Manufacturing , Date of Expiry shall be stored into command center by web based portal from manufacturer end.

METHOD

▸ At the time of purchase user will scratch the label and then sent unique code to data center by sms, phone, fax or email.

▸ Immediately upon receipt of query , purchaser will get reply from data center about product genuineness and other details if codes match.

▸ For codes mismatch or repeat, customer will be informed that product genuineness can not be guaranteed

HOW IT WORKS.

For a fake manufacturer, the codes are not known to him so he has three choices –

◦ CASE1 :

Print random codes on fake products.

◦ CASE 2 :

Copy one set of codes from original product and paste on multiple fake products.

◦ CASE 3 :

Copy original set of codes by buying original products and paste it on equal number of fake products.

HOW IT WORKS

Outcome of cases :

- In case 1, random codes will not be confirmed as correct to buyers.

- In Case2 also, same codes will not confirmed for multiple product .

- In Case 3, the fake producers will have to incur full cost by purchasing original product to know the codes, hence, it will not be financially profitable for him.

HOW IT WORKS

Resultant Effect :

- Due to instant verification, selling fakes will be almost impossible, hence fake manufacturer will not take risk of losing their money in bulk production of fake products .

- Since purchaser is getting the result of his query instantly by Internet, Mobile Apps, Sms or Phone, the shop selling the fake product will be identified.

- Due to loss of anonymity available to fake sellers, retailers/shops may not be ready to market such fake products for their own safety against legal action.

WHY CAN'T EVERYONE RUN VERIFICATION SERVICE

- If each manufacturer makes his own centre for verification , then buyers can not remember or save so many such numbers. Hence, buyers will use contact number printed on product package for verification. In that case fake manufacturer can also setup such verification centre and get their fake products confirmed .

- Buyers can easily remember one contact number by saving it in their phone for verification of all types of product .

- Further, only one data centre will prove economical for all manufacturer.

- Therefore LABEL9420 is providing this services for all products across industry.

LIMITATION

- It is successful only where purchaser wants to buy genuine and not fake.

- Manufacturer has to share its exact production sent to market.

- Your efforts in stopping fakes will also help society as you may save many citizens from ill effects of fakes which could even cost lives at times.

- This will also save our country's manufacturing sector.

- Come forward and contribute to country and protect yourself too.

BUY SAFE, SELL SAFE

Thanking you in Anticipation of your Response

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