

Virtual Communities as Guardians Against Product Counterfeiting in the Athletic Footwear Industry

George T. Adams, Jr.

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As legitimate online commerce has grown, so has the use of the Internet for distributing and selling counterfeit goods. Goods with extended supply chains or limited supply that lead consumers to purchase them through secondary markets can be particularly vulnerable to counterfeiting.

Physical communities can help prevent victimization given the proximity they offer with others as well as the sense of unity and belonging to a community. Yet social interactions, and not physical location, most define communities. Online communities sharing common interests and cultural norms and willing to help improve member and collective welfare may serve as guardians against the crime of product counterfeiting. This brief summarizes recent research at the Michigan State University Center for Anti-Counterfeiting and Product Protection explores the potential of an independent virtual brand community (IVBC) in guarding consumers against counterfeits.

IVBCs and Their Role as Guardians

A brand community comprises consumers who self-select by their commitment to the brand. Independent brand communities may be created, owned, or operated by loyal brand customers who want to connect with others having similar interests and knowledge of a brand. Consumers participate in brand communities to gain insight on the quality of a potential purchase, product maintenance and repair, or to share usage experience. Individuals in a virtual brand community seek information from others before purchasing a product.

An IVBC can help authenticate products and their sellers and make consumers aware of

potential counterfeiters. IVBCs can particularly help in differentiating genuine and counterfeit products by visual characteristics given their users' substantial knowledge and experience with a brand. Because brands do not own or administer IVBCs, the accuracy of their information cannot be guaranteed. Nevertheless, given that participants have years of experience with these products, their advice is viewed as credible and trustworthy.

The trust placed in them gives IVBCs the potential to serve as guardians for consumers in virtual marketplaces. Specifically, they offer consumers the opportunity to share information that can help users avoid online victimization, providing a watchful eye and intervening when necessary.

How NikeTalk Empowers Consumers

To better understand how an IVBC can enable consumers to be better guardians of themselves and others against counterfeit products, this research analyzed a sample of content from NikeTalk (www.niketalk.com), an Internet forum for the discussion of sneakers and related Nike products, particularly Jordan-brand shoes. These products are ideal for studying information flows related to guardianship, given their limited supply and large secondary markets, both legitimate and counterfeit, for them.

This research addressed two primary questions. First, it explored whether and how NikeTalk members act as guardians against product-counterfeiting victimization. It found consumers actively sought product- and seller-level authenticating information from NikeTalk members. Forum administrators also were

vigilant against participation by counterfeiters. This reflected growing trends elsewhere of use of the Internet to authenticate product information as well as active help-seeking behavior to reduce risk.

Second, this research identified key indicators consumers use in differentiating genuine and counterfeit products. Extrinsic characteristics that consumers considered were price and website appearance. Intrinsic characteristics they considered were logos, materials, sole, packaging, condition and, particularly the use of design and tooling (e.g., shoe shape). Design and tooling characteristics are a popular verification method because they allow consumers to compare a photograph of the product for sale with a genuine article.

Conclusions and Implications

Counterfeiters may also lurk and learn from online forums how to better present their product as legitimate. Nevertheless, IVBCs can offer new and evolving means to promote legitimate and curb counterfeit goods.

Consumers could contribute to their own guardianship by posting better images of the products for which they seek a price or fake check. This might include video of products in different lighting, giving forum contributors a better chance to assess the product.

Law enforcement officials could mine IVBCs to garner more information on counterfeit cues. Law enforcement uses the same cues as consumers; IVBCs can inform on the most recent versions of these cues.

Finally, brand owners may be able to use IVBCs to better understand how consumers differentiate genuine and counterfeit products. This could improve public education as well as efforts to protect consumer loyalty and brand image. Features such as ID tags or series numbers can also help IVBC users authenticate products. More generally, brand owners may provide incentives for consumer-to-consumer information sharing online. They may also rely on IVBCs to learn more about fraudulent sellers and online marketplaces that sell counterfeit goods, targeting them for takedowns.

The research reported in this backgrounder is documented in George T. Adams, Jr., “Empowering Consumers as Capable Guardians to Prevent Online Product Counterfeiting Victimization in the Athletic Footwear Industry: A Routine Activity Perspective,” Master of Science Thesis in Criminal Justice, Michigan State University, 2016, available at www.a-capp.msu.edu/sites/default/files/AdamsThesis2016.pdf. The ideas expressed herein are those of the author.



The Michigan State University Center for Anti-Counterfeiting and Product Protection (A-CAPP) is the first and preeminent academic body focusing on the complex global issues of anti-counterfeiting and protection of all products, across all industries, and in all markets, and on strategies to effectively detect, deter, and respond to the crime. Linking industry, government, academic, and other stakeholders through interdisciplinary and translational research, education, and outreach, the A-CAPP Center serves as an international hub for evidence-based anti-counterfeit strategy. For more information and opportunities to partner, contact Dr. Jeremy Wilson, Director of the A-CAPP Center, at (517) 432-2204 or jwilson@msu.edu. Additional information can also be found at www.a-capp.msu.edu.