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## Brand Protection & Tamper Evident Solutions

### Supplier Industry Structure

Companies & Technologies - Profiles of Leading Suppliers

Strategic, tactical, competitive and technology issues

## **SAMPLE PAGES**

Authors: James Bevan & Jeremy Plimmer

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Authors: James Bevan & Jeremy Plimmer

## REPORT OVERVIEW & CONCLUSIONS

### WHAT QUALIFIES AS BRAND PROTECTION?

A Brand Protection device operates at 'item level'. Devices applied at case, pallet or container level certainly enhance security and may have logistics functionality – Track & Trace. But devices at these other levels are not strictly viewed as brand protection. The primary function of any Brand Protection device is 'authentication' (track and trace in isolation is not equivalent to authentication).

Brand Protection can only be delivered through an integrated systematic application of procedures that include inspection, legal and enforcement partnerships, and provide each partner in the value chain with a method through which they can establish provenance.

They and are usually categorised by 3 Levels of defence:

- 1<sup>st</sup> (visual or overt protection) for first assessment
- 2<sup>nd</sup> (covert protection) where a degree of minimal tooling is required
- 3<sup>rd</sup> (or forensic protection) where chemical or physical analysis is necessary.

Note: Printed materials (such as papers boards, films and foils) can typically carry security features at all three levels, if required.

### THE MARKET FOR BRAND PROTECTION SOLUTIONS IS STILL LESS THAN 1% OF GLOBAL FINANCIAL LOSSES DUE TO PRODUCT RELATED CRIME

Although the percentage appears to be increasing gradually year-on-year, the market for brand protection solutions (arising from counterfeiting, piracy, tampering and theft) is still less than 1% of global financial losses as illustrated in the following Table:

**Table Estimated Global Financial losses due to counterfeiting, piracy, tampering and theft by Value**

Global Financial Losses	The Market for Brand Protection Solutions as percentage of Global Financial Losses
2006	
2008	
2010	

2015 Forecast	
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*Source: Vandagraf International Limited, Product & Image Security Foundation.*

As illustrated in the previous Table, the market for brand protection solutions is creeping up year on year as a percentage of related global financial losses, but has yet to break through the glass ceiling of .....%.

This provides food for thought:

- Why is it that the market for brand protection solutions not up to .....% or even more of estimated global financial losses?

Certainly such levels may be envisaged in the future across some of the most vulnerable end user vertical markets, at least in North America and Western Europe.

A business case for much higher levels of investment by brand owners can be put forward based on these numbers. Of course such brand protection solutions must be effective, but the greater the investment, the greater the effectiveness can be.

What will be needed is some kind of a trigger or tipping point and given the nature of the business this is likely to be an unwelcome event that has global impact.

The World has most certainly seen some such events in recent years, for example the 9/11 acts of terrorism and more recently the major difficulties being experienced by the World's banking system.

So what does the future hold?

Will some cataclysmic future event(s) be enough to persuade brand owners and / or governments that brand protection should be taken to another level?

We do not know what the lies in the future – But in these uncertain times there is good reason to think that surprising events will continue to unfold.

But what we do know is that companies that develop effective integrated brand protection solutions today will be well placed to meet the future needs of the industry whatever they may be. Companies that do not prepare and then try to react to such future (yet to be foreseen) events from a standing start are unlikely to do well.

### **ANALYSIS OF CLASSES OF BRAND PROTECTION SOLUTIONS SUPPLIERS**

The Brand Protection Solution Industry is characterised by 3 classes of supplier:

- Suppliers of Integrated End-to-End Brand Protection Solutions

- Packaging / Labels Converters & Security Printers
- Security Technology & Materials Providers.

A major conclusion of this report is that the provision of integrated end-to-end solutions ideally tailored to individual brand owner customers is increasingly necessary if total customer satisfaction in brand protection is to be delivered.

Brand protection is generally not driven by individual technologies, however ingenious or sophisticated they may be and simply offering single (or even multiple) security technologies are not what brand owners generally want.

Such integrated end-to-end solutions need to comprise (or at least have direct access to) the complete spectrum of brand protection services. Suppliers of integrated end-to-end brand protection solutions typically offer multiple and combined security features, together with other ancillary technologies and supporting services.

Integrators of brand protection solutions are most usually (but not exclusively) packaging converters, label converters or security printers. Major raw materials suppliers and other types of operators can in some situations also become successful integrators. Packaging / Labels Converters and Security Printers are well placed to move towards becoming more fully integrated operators.

Integrated solutions are generally preferred by brand owners and will ideally embody a combination of:

- Brand protection technologies
- Tamper evidence features
- EAS anti-theft
- On-line internet monitoring
- Ancillary services.