

Global Consumer Awareness, Attitudes, and Opinions on Counterfeiting and Piracy

*Third Global Congress
Combating Counterfeiting and Piracy
31 January, 2007
Geneva, Switzerland*

Background

- **Largest survey initiative ever to understand attitudes and behaviors of consumers on counterfeiting and piracy**
- **To date, self-funded by Gallup**
- **64,579 interviews across 51 countries in the past 18 months**
- **National phone or in-home surveys (except Sri Lanka and Cuba - urban).**
- **Represents the views of consumers whose economies account for 64% of the world's GDP**
- **1000 plus interviews in all but Luxembourg, Sri Lanka, Haiti, Jamaica, Trinidad/Tobago, and Puerto Rico.**
- **Based on a sample size of 1000, the margin of error at a 95% confidence level is +/-3%**
- **Efforts continuing in 2007 to track in select markets and interview in new markets not previously covered**

Coverage

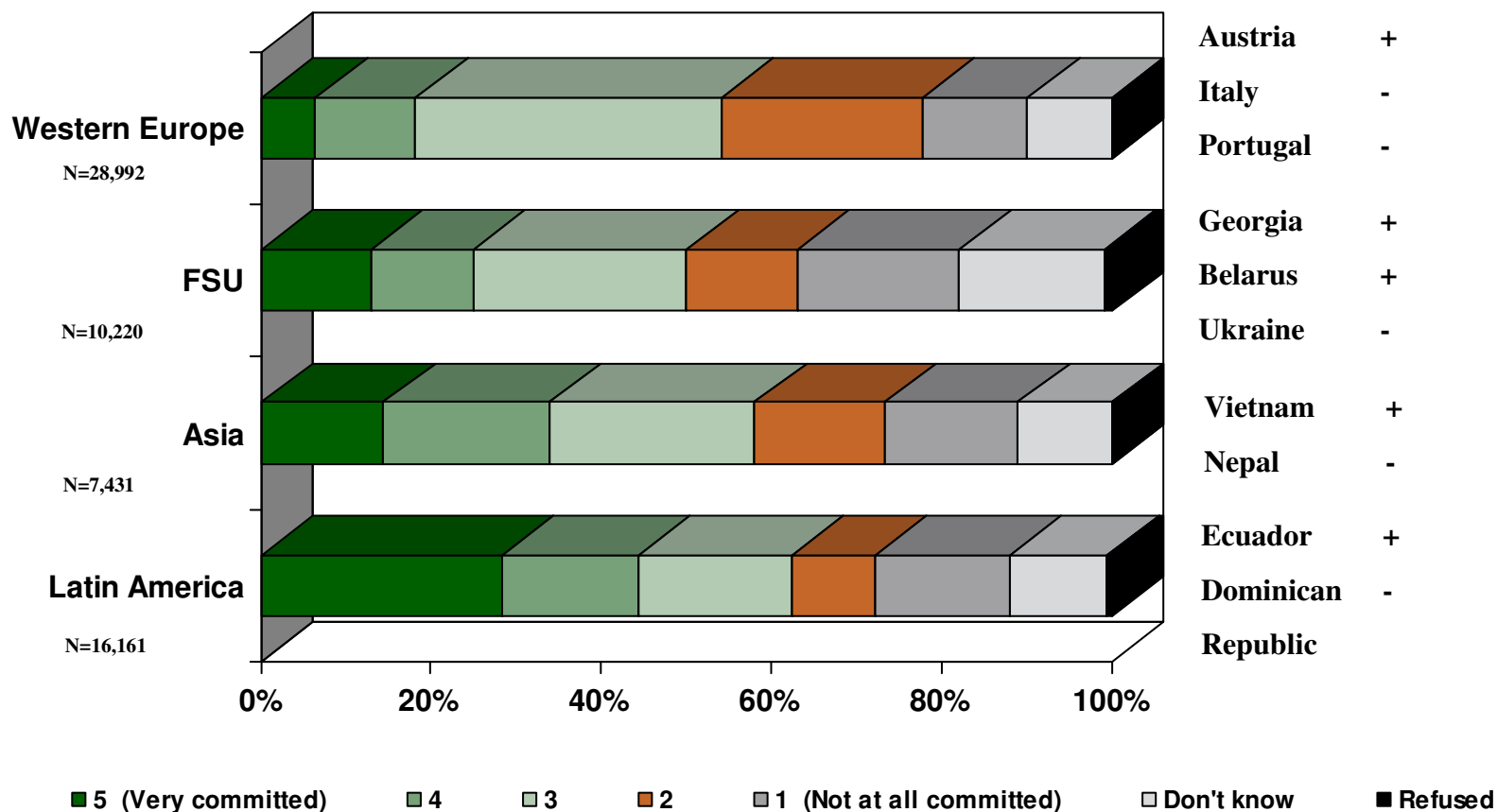
- **Argentina, Armenia, Austria, Belarus, Bolivia, Belgium, Chile, Colombia, Costa Rica, Cuba, Denmark, Dominican Republic, Ecuador, El Salvador, Estonia, Finland, France, Georgia, Germany, Greece, Guatemala, Haiti, Ireland, Italy, Jamaica, Korea, Kyrgyzstan, Latvia, Lithuania, Luxembourg, Malaysia, Moldova, Nepal, Netherlands, Panama, Paraguay, Peru, Philippines, Portugal, Puerto Rico, Russia, Spain, Sri Lanka, Sweden, Thailand, Trinidad & Tobago, Ukraine, United Kingdom, United States, Uruguay, Vietnam**

Key Observations

- **Consumers do not believe their governments are committed to find and prosecute counterfeiting**
- **In markets studied, one quarter of consumers are purchasing counterfeit items. Vast differences by geography**
- **The big three of Branded Apparel, Bags, and Footwear; Music; and Movies is highly correlated to GDP**
- **Health and Safety threats abound in the developing world**
- **The greatest deterrent in the U.S. is links to terrorism, organized crime and health and safety**

Perceived Government Commitment

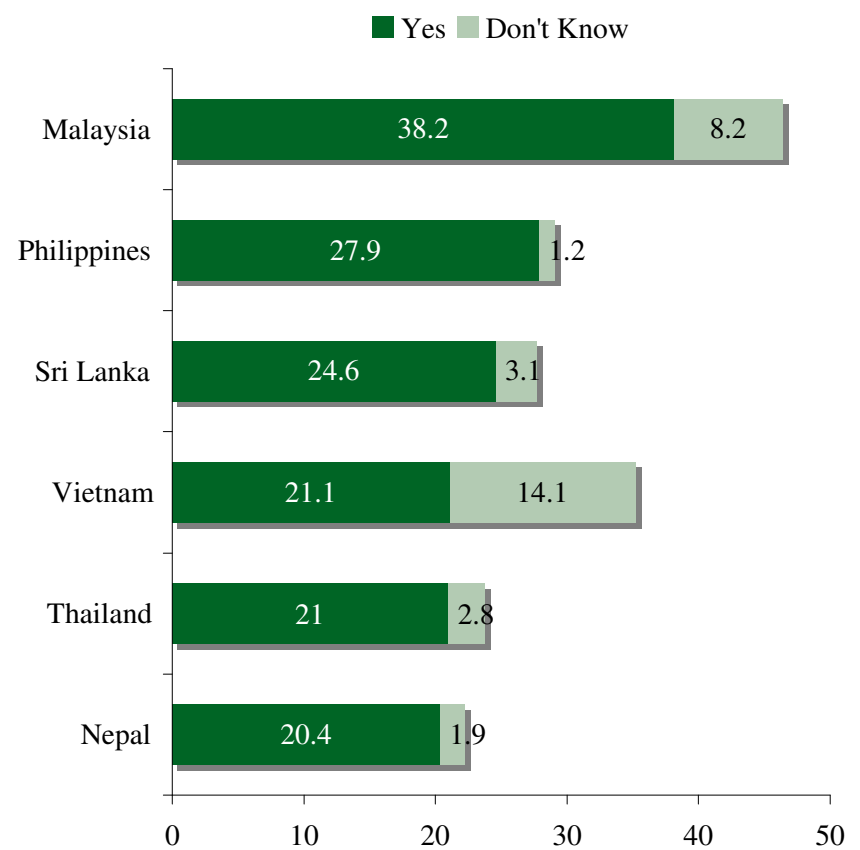
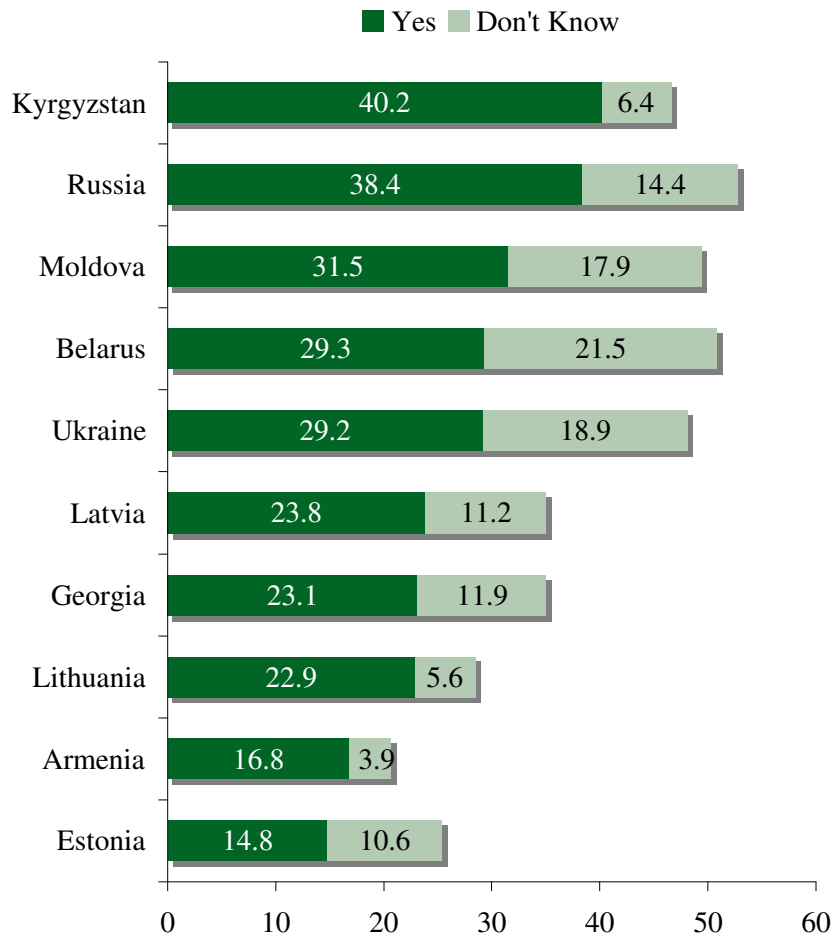
Q.: How committed do you think the [:COUNTRY:] government is to find and prosecute counterfeiting?



Past 12 Month Purchase Incidence

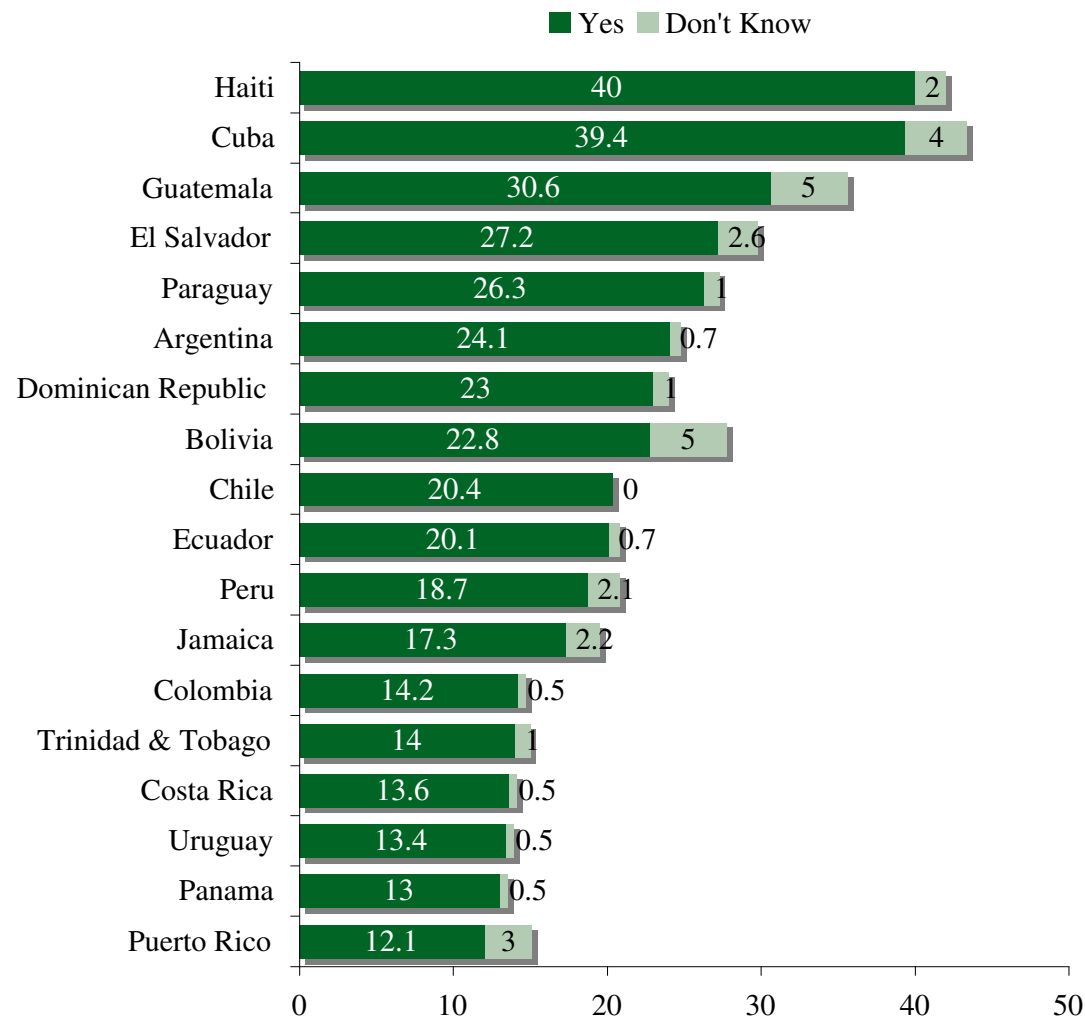
Former Soviet Union and Asia

Q: In the past 12 months have you purchased any products that you know or suspect are not genuine or legitimate?



Past 12 Month Purchase Incidence Latin America

Q: In the past 12 months have you purchased any products that you know or suspect are not genuine or legitimate?



Products Purchased by Category

(Past 12 months among those that indicated purchase)

	<u>FSU</u>	<u>Latin America</u>	<u>Asia</u>
Brand Name Fashion Clothing, Designer Bags and Footwear	27.30%	25.96%	31.75%
Brand Name Watches	4.46%	5.47%	9.25%
Music CDs or Audiocassettes	37.87%	42.64%	43.5%
Movies (VHS, VCDs, DVDs)	27.00%	22.95%	27.13%
Computer Operating Systems (Windows, Mac) or Computer Application Software (Word, Excel, Etc.)	7.46%	1.30%	4.6%
Perfumes and Cosmetics	18.33%	10.62%	10.31%
Video Games and Toys	6.55%	2.19%	3.6%
Pharmaceuticals or Medicines, not generics	12.40%	2.16%	4.2%
Alcoholic Beverages, Soft Drinks, Mineral Water	23.60%	2.87%	3.56%
Tobacco	13.54%	1.24%	4.12%
Tools and Auto Parts	3.37%	2.96%	6.25%
Jewelry	1.61%	1.48%	4.56%
Food	34.54%	10.17%	4.81%
Other	-	6.9%	7.63

Purchase Patterns in the Developed Versus Developing World

Strong correlations to GDP per capita

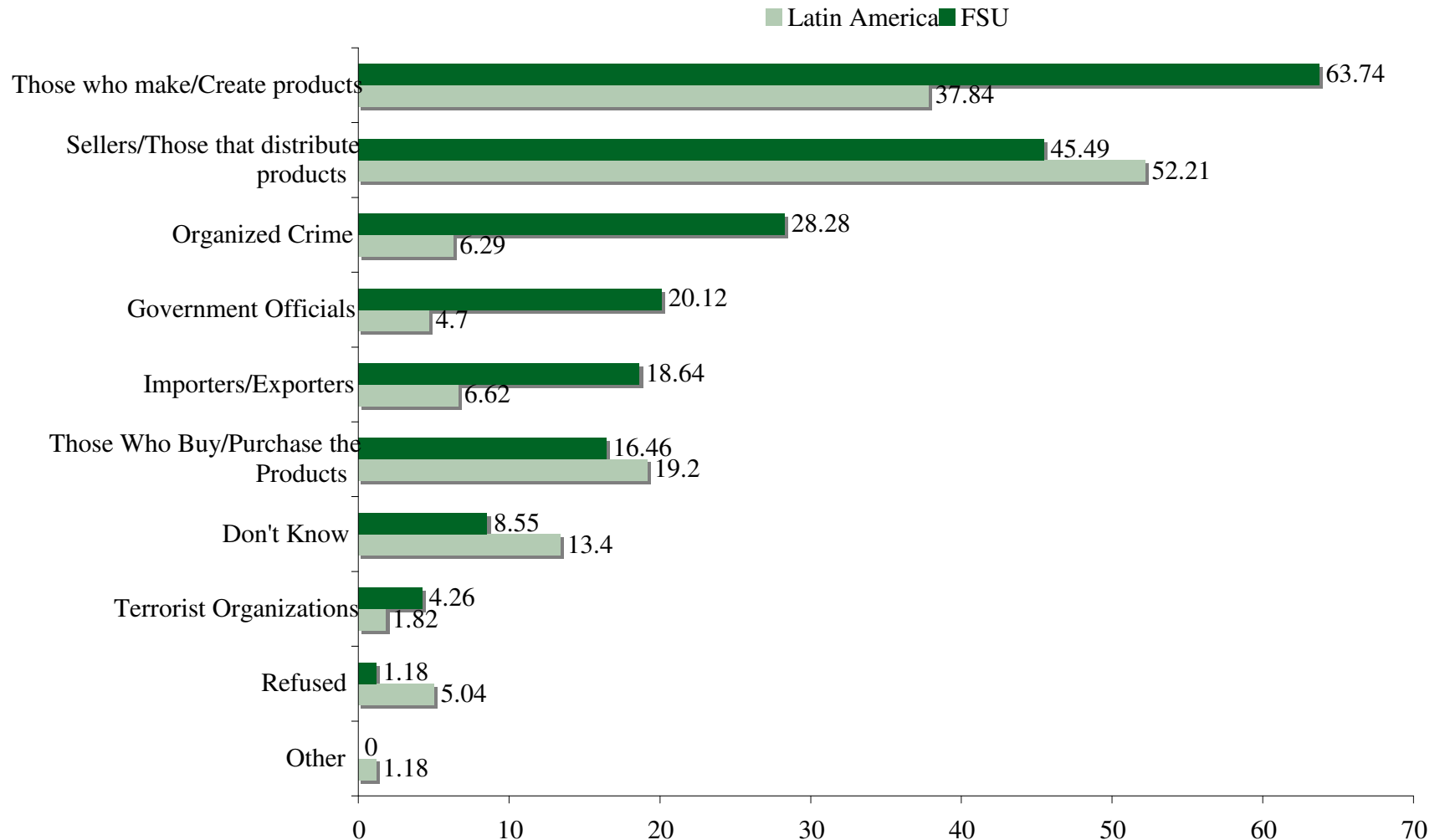
- **The big three globally**
 - **Brand name fashion clothing, designer bags, footwear**
 - **Music**
 - **Movies**

The Developing World Differences (Feel Good Items and Basics)

- **Perfume/cosmetics – Argentina, Dominican Republic, Cuba, Haiti, Paraguay, Nepal, Sri Lanka, Armenia, Belarus**
- **Alcohol, soft drinks, mineral water – Armenia, Georgia, Kyrgyzstan, Moldova, Ukraine**
- **Tobacco – Armenia, Georgia, Latvia**
- **Brand name watches – Guatemala, Haiti, Nepal**
- **Food – Cuba, Haiti, Georgia, Kyrgyzstan, Moldova**

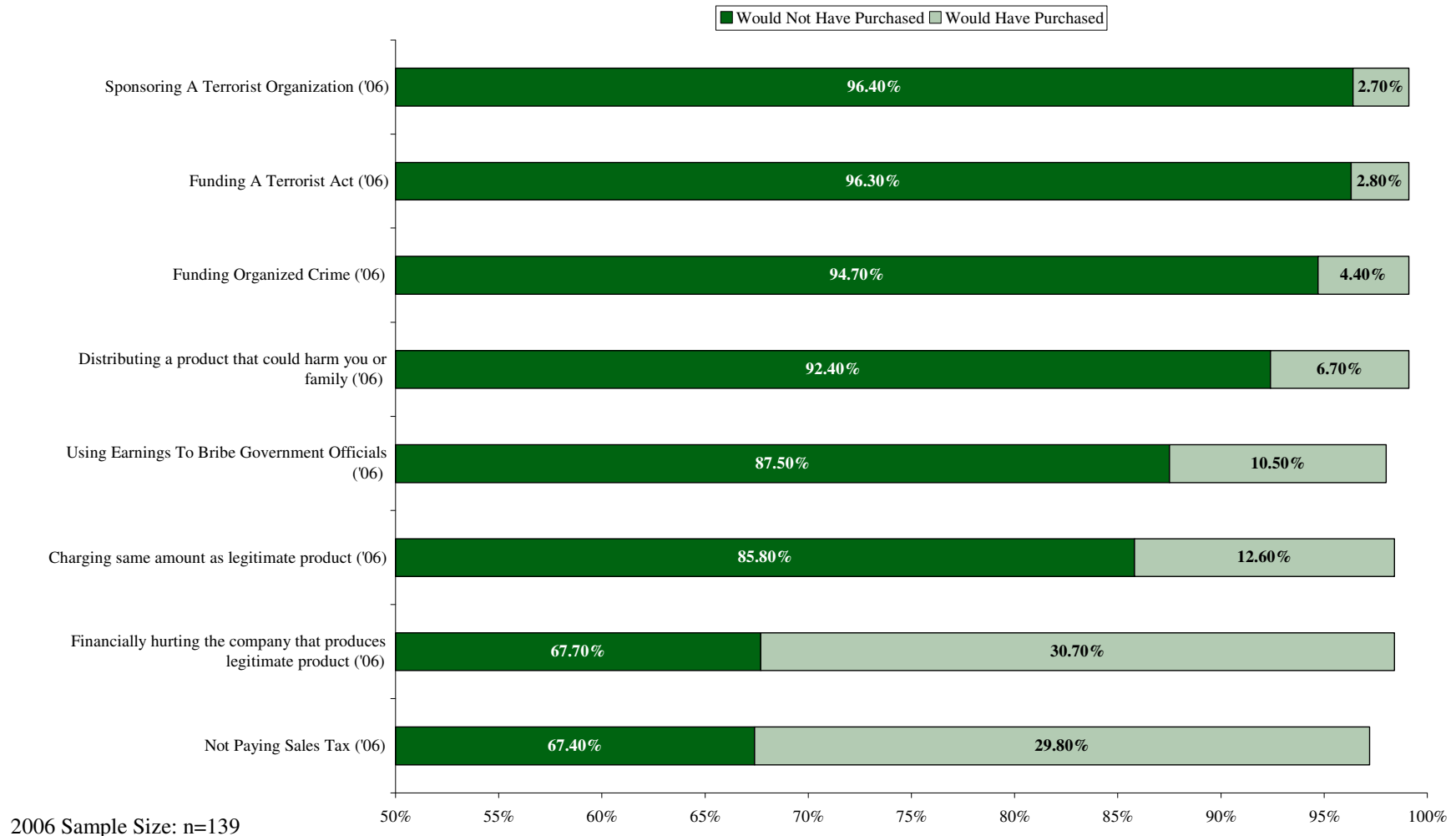
Groups Or Organizations Benefiting From Piracy Or Counterfeiting

Q: Which groups or organizations do you believe benefit from piracy or counterfeiting?



Purchase Deterrent Trends in the US (Asked Among Those Who Had Purchased Counterfeit Goods)

Q: Would you have purchased the imitation you previously mentioned you bought if you knew the seller was (___)?



Conclusions

- **While there are some patterns that exist globally in counterfeiting and piracy, every market is different and requires a tailored communication strategy**
- **Health and safety should be the bedrock of any communications efforts. While links to terror may exist in a few markets, this should not be a universal message**
- **Policy makers and executors need to find comfort in a constituency that believes more should be done**