

# Retailers large and small struggle to combat the growing threat of counterfeit goods

Article

**The data points:** Over two in three consumers (68%) across 17 countries were deceived into purchasing a counterfeit item last year, [per](#) a Michigan State University consumer

survey.

- That share is likely to increase as counterfeits grow to 5% of global trade by 2030, a significant increase from the still significant 3.3% last year, per Corsearch.

**Why is this happening?** The problem has become more pronounced due to the rapid growth of ecommerce, and online marketplaces in particular—which we expect will account for 6.3% of total US retail sales this year, or nearly double the 3.4% share in prepandemic 2019.

- Online marketplaces such as **Amazon**, **Shein**, and **TikTok Shop** make it easy for criminals to identify fast-selling products, replicate legitimate sellers' listings and goods, and begin selling (sometimes even outbidding those legitimate sellers for the top position in search results).
- While most online marketplaces have policies in place prohibiting the sale of counterfeit goods, identifying those sellers' accounts and removing the listings can feel like a game of Whac-A-Mole given that new listings routinely pop up soon after others are removed.

**A problem that's impossible to ignore:** Copycat products pose a significant threat to everyone from small merchants like **Bee Cups** to large brands like Amazon and **Nike**.

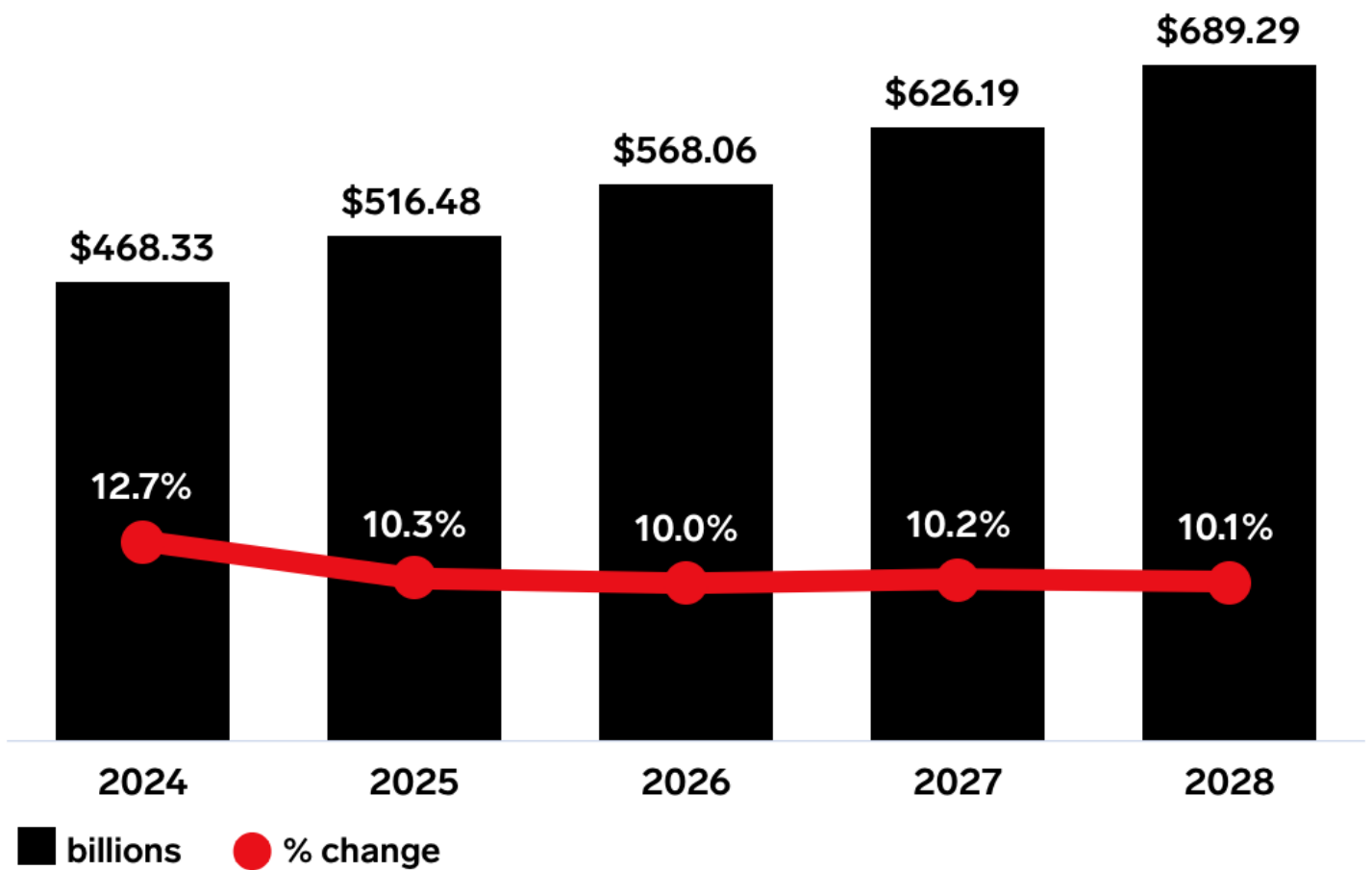
- Amazon has an in-house counterfeit crime unit that takes a multipronged approach to combating the problem, including using AI tools to scan billions of listings each day to flag products that may be counterfeit, and filing suits against bad actors (it filed six suits earlier this month). That enabled it to seize 7 million counterfeit goods last year (up from about 1 million a year earlier), which demonstrates the situation's massive scale.
- Nike and **Converse** this month filed a lawsuit against 52 purported counterfeit networks that together run 98 websites that have sold fake Nike or Converse merchandise to US consumers within the past 12 months, per Retail Dive.
- **Bee Cups**, which sells tiny porcelain vessels that hold water for bees and other pollinators, recently hired a law firm that helped Amazon and other platforms to take down the fraudulent listings, per The Wall Street Journal. However, **Jen Rose**, the ceramist who built the brand using **Instagram**, **TikTok**, and **Facebook**, told The Journal that it has been challenging to stay afloat, noting that she received a \$27,000 legal bill for the month of April.

**The big takeaway:** The policies that platforms have in place to guard against counterfeits aren't enough.

- Counterfeit items significantly degrade the online shopping experience.
- Not only do they lead consumers to waste their money on fake products, but they also expose them to undue risk. For example, fake electronics cause over 350,000 injuries every year.

## Retail Marketplace Ecommerce Sales

US, 2024-2028



Note: represents the gross value of products sold by third-party sellers on a retail marketplace platform; excludes first-party sales on these platforms; excludes travel and event tickets; excludes food services and drinking place sales

Source: EMARKETER Forecast, May 2024

