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CONSUMERS AND COUNTERFEIT PRODUCTS

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### Approach

This document contains the final results obtained from the quantitative research done by ANDEMA, based on a survey of consumers at the national level to obtain estimates on:

The frequency of      The amount spent on      The reasons for  
consumer purchase of counterfeit brands and imitations.

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## Objectives

The specific objectives of the study were:

### IMPORTANCE OF BRANDS

- Products/services for which the brand is important to the consumer
- Brand loyalty (analysis of effects of crisis)
- Variations in importance of brands (analysis of effects of crisis)
- Changes in buying habits (analysis of effects of crisis)

### VOLUNTARY PURCHASE

- In what products do they buy counterfeits and imitations most frequently?
- The brands they tend to buy
- Places of purchase
- Frequency of purchase
- Amount spent on most recent purchase
  - Product and brand of that last purchase
- Reasons for buying counterfeits and imitations

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Objectives

INVOLUNTARY PURCHASE

- What counterfeit and pirated brands do they usually buy?
- The trademarks associated with them
- Places of purchase

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## Technical design

The information has been gathered using a telephone survey of households based on a structured questionnaire of the following characteristics:

- Sample: N: 1,000 interviews
- Universe: General population over the age of 18 years.
- Error margin  $\pm 3.2$
- Place done: Madrid, Catalonia, Valencia, Andalusia and Canary Islands.

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## ANALYSIS OF RESULTS

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## INTRODUCTION

On this occasion, in addition to questions to detect the levels of voluntary and involuntary purchase of counterfeits and imitations, the survey includes a set of questions aimed at assessing the impact of the economic crisis on the importance the consumer gives to brands, as well as the possible changes that have occurred in buying habits as a result of the crisis.

## INTRODUCTION

- The most noteworthy feature of the results obtained can be summarised as follows:
  1. For one, the percentage of voluntary purchase of counterfeits recorded in 2006 (18%) is maintained in 2010 (18%), seemingly bearing out the idea raised in 2006 that around 18% of the population knowingly consumes counterfeit brands on a periodic basis.
    - a. In addition, overall spending on these products has grown and now averages €38.16 per purchase, that is, €17.5 more than the average expenditure recorded in 2006, which was only €20.66. This growth has boosted the turnover of this illegal business considerably, even assuming that the frequency of purchase remains similar to the one seen in the previous survey, that is, twice per year. This figure is clearly an underestimate and the real number is probably higher.
  2. Voluntary purchases of imitations have dropped, going from 17% in 2006 to 13% in the current survey. The decline is also accompanied by a drop in the average expenditure estimated by consumers, which has gone from €24.6 to €21.7, from which it may be inferred that consumers have become more sensitive to the issue of imitations and prefer to pay more for the added value and reliability provided by the original brand.
  3. Lastly, there is a likewise notable increase in the higher percentages of involuntary purchases of counterfeits and imitations, with respective gains of 4% and 10% since 2006, as shown in the table on the next page. In other words, it seems that these activities have increased their pressure by penetrating markets and gaining greater shares of sales by misleading consumers.

## INTRODUCTION

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|   | 2001 | 2006 | VARIATION | 2010 | VARIATION |
|---|------|------|-----------|------|-----------|
| BUY COUNTERFEITS<br>VOLUNTARILY         |      |      |           |      |           |
| YES                                     | 21%  | 18%  | -3%       | 18%  | 0%        |
| NO                                      | 79%  | 82%  | 3%        | 82%  | 0%        |
| INVOLUNTARY PURCHASE OF<br>COUNTERFEITS |      |      |           |      |           |
| YES                                     | 14%  | 11%  | -3%       | 15%  | 4%        |
| NO                                      | 86%  | 89%  | 3%        | 85%  | -4%       |
| BUY IMITATIONS<br>VOLUNTARILY           |      |      |           |      |           |
| YES                                     | 20%  | 17%  | -3%       | 13%  | -4%       |
| NO                                      | 80%  | 83%  | 3%        | 87%  | 4%        |
| INVOLUNTARY PURCHASE OF<br>IMITATIONS   |      |      |           |      |           |
| YES                                     | 20%  | 6%   | -14%      | 16%  | 10%       |
| NO                                      | 80%  | 94%  | 14%       | 84%  | -10%      |

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## P.1.- BRAND LOYALTY IN PRODUCTS AND SERVICES

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### PERCENTAGE OF BRAND LOYALTY IN SECTORS THAT INDICATE BRAND PURCHASE PATTERNS

Hotel, restaurant and cafeterias  
Telephony services  
Tobacco  
Beverages  
Food  
Sports materials  
Toys  
Automobile accessories  
Watches and jewellery  
Mobile telephones  
Computers  
Photographic and video equipment  
Household appliances / equipment  
Pharmaceutical products  
Footwear  
Clothing  
Leather goods & accessories  
Perfumes / Cosmetics  
Cleaning

It may be generally said that services like Horeca (hotels, restaurants, cafeterias, etc.) or products such as accessories, leather goods, toys, jewellery, watches and car accessories are sectors where consumers more readily switch from one brand to another.

Conversely, some other products and services seem to generate greater consumer loyalty for a specific brand: brands for food products, telephony services, beverages, cosmetics and perfumes, mobile telephones and, to a lesser extent, clothing, tobacco and footwear show a tendency for consumers to continue using a preferred brand.

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P.2.- LOYALTY TO REGULAR BRANDS

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loyalty to regular brands

NO YES

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## P.2.- LOYALTY TO REGULAR BRANDS BY GEOGRAPHIC AREAS

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The data by geographic area show appreciable differences between Catalonia and the rest of Spain. Brand loyalty in Catalonia is between 5 and 7 points higher than elsewhere. Also of note is that Madrid and Andalusia are two points below the average on this measure.

Loyalty to regular brands by region

Canary Islands

Andalusia

Valencia

Catalonia

Madrid

NO YES

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P.2.- LOYALTY TO REGULAR BRANDS BY GENDER

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The data by gender indicate that women display brand loyalty two percentage points higher than men.

Loyalty to regular brands by gender

Females

Males

NO YES

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## P.2.- LOYALTY TO REGULAR BRANDS BY STATUS

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The data by status show growing loyalty in the higher segments, with a difference of more than 10 points between the lower-middle segment of 79% and upper-middle of 90%. There is no such difference between the extremes, which are fairly close to the average of 85%.

Loyalty to regular brands by social status

Lower  
Lower-Middle  
Middle-Middle  
Upper-Middle  
Higher

NO YES

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## P.2.- LOYALTY TO REGULAR BRANDS BY AGE

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With respect to age, the data are rather eloquent in showing that brand loyalty grows with age. The segments with the greatest loyalty are the 55-64 years and 18-24 years brackets. The least loyalty is shown by persons over the age of 64.

Loyalty to regular brands by age

Over 64

From 55 to 64

From 45 to 54

From 35 to 44

From 25 to 34

From 18 to 24

NO YES

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### P.3.- REASONS FOR SWITCHING BRANDS

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Notable amongst the main reasons given for switching brands were prices, special offers and the economic crisis. which were cited in 61% of the cases, while reasons such as "*I like to try other brands*" or indifference between one brand or another accounted for only 28% of the cases

Reasons for switching

Don't know / Don't answer

Others

Price

Buy according to offers

Forced by crisis

Doesn't care about one brand or another

I like to try other brands

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P.5.- CHANGES IN BUYING HABITS DUE TO CRISIS

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Have you changed your buying habits as a result of the crisis?

Yes No

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P.5.- CHANGES IN BUYING HABITS DUE TO CRISIS BY STATUS AND AGE

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Have you changed your buying habits as a result of the crisis?

Have you changed your buying habits as a result of the crisis?

Yes No

Yes No

Higher

Upper-Middle

Middle-Middle

Lower-Medium

Lower

18 to 24

25 to 34

35 to 44

45 to 54

55 to 64

Over 64

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P.5.- CHANGES IN BUYING HABITS DUE TO CRISIS BY GEOGRAPHIC AREA AND GENDER

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Have you changed your buying habits as a result of the crisis?

Have you changed your buying habits as a result of the crisis?

Yes No

Yes No

Madrid Catalonia Valencia Andalusia Canary Islands

Men Women

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## P.6.- NEW BUYING HABITS

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The 55% of consumers who acknowledge they have changed their buying habits, further specify the following:

- 42% have done so by buying less, either by reducing the frequency (19%) or the size of the purchases (23%)
- The remaining 58% break down as follows:
  - 26% to brands of lower cost manufacturers
  - 23% to other types of brands
  - 9% to copies of known brands

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## P.6.- NEW BUYING HABITS

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### New buying habits

Buy copies of known brands

Buy other types of brands

Buy brands of lower-cost manufacturers

Buy less frequently

Buy smaller amounts

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P.6.- NEW BUYING HABITS BY GEOGRAPHIC AREA

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New buying habits by geographic area

Buy copies of known brands

Buy other types of brands

Buy brands of lower-cost manufacturers

Buy less frequently

Buy smaller amounts

Madrid

Catalonia

Valencia

Andalusia

Canary Islands

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P.6.- NEW BUYING HABITS BY GENDER AREA

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New buying habits by gender

Buy copies of known brands

Buy other types of brands

Buy brands of lower-cost manufacturers

Buy less frequently

Buy smaller amounts

Men    Women

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P.6.- NEW BUYING HABITS BY STATUS

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New buying habits by status

Buy copies of known brands

Buy other types of brands

Buy brands of lower-cost manufacturers

Buy less frequently

Buy smaller amounts

Higher

Upper-Middle

Middle-Middle

Lower-Medium

Lower

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P.6.- NEW BUYING HABITS BY AGE

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New buying habits by age

Buy copies of known brands

Buy other types of brands

Buy brands of lower-cost manufacturers

Buy less frequently

Buy smaller amounts

18 to 24

25 to 34

35 to 44

45 to 54

55 to 64

Over 64

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**IMPORTANCE PLACED ON BRAND BY SECTORS**

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**P.A.- IMPORTANCE PLACED ON BRAND BY SECTORS**

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|   | 2001 | 2006 | VARIATION | 2010 | VARIATION |
|---|------|------|-----------|------|-----------|
| CLEANING                                  | 24%  | 25%  | 1%        | 24%  | -1%       |
| PERFUMES/COSMETICS                        | 20%  | 22%  | 2%        | 26%  | 4%        |
| LEATHER GOODS & ACCESSORIES               | 2%   | 4%   | 2%        | 2%   | -2%       |
| CLOTHING                                  | 43%  | 35%  | -8%       | 21%  | -14%      |
| FOOTWEAR                                  | 31%  | 23%  | -8%       | 16%  | -7%       |
| INDUSTRIAL MATERIALS (ONLY 2001 AND 2006) | 2%   | 3%   | 1%        |      |           |
| PHARMACEUTICAL PRODUCTS                   |      |      |           | 14%  |           |
| HOUSEHOLD APPLIANCES/EQUIPMENT            | 40%  | 25%  | -15%      | 14%  | -11%      |
| PHOTOGRAPHIC AND VIDEO EQUIPMENT          |      |      |           | 11%  |           |
| COMPUTERS (ELECTRONICS IN 2001 AND 2006)  | 16%  | 16%  |           | 12%  | -4%       |
| MOBILE TELEPHONES                         |      |      |           | 25%  |           |
| WATCHES AND JEWELLERY                     | 5%   | 4%   | -1%       | 4%   | 0%        |
| AUTOMOBILE ACCESSORIES                    | 20%  | 3%   | -17%      | 8%   | 5%        |
| TOYS                                      | 1%   | 4%   | 3%        | 5%   | 1%        |
| SPORTS MATERIALS                          | 11%  | 4%   | -7%       | 13%  | 9%        |
| FOOD                                      | 61%  | 58%  | -3%       | 37%  | -21%      |
| BEVERAGES                                 | 13%  | 11%  | -2%       | 27%  | -16%      |
| TOBACCO                                   | 8%   | 5%   | -3%       | 17%  | 12%       |
| TELEPHONY SERVICES                        |      |      |           | 30%  |           |
| HOTEL, RESTAURANTS, CAFETERIAS            |      |      |           | 5%   |           |

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## **P.A.- IMPORTANCE OF THE BRAND BY SECTORS**

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- As shown in the next table, the sector ranking of brand importance in 2010 was:
  - Food 37%
  - Telephony services 30%
  - Beverages 27%
  - Perfumes/cosmetics 26%
  - Mobile telephones 25%
  - Cleaning and household products 24%
  - Clothing 21%
  - Tobacco 17%
  - Footwear 16%
  - Pharmaceutical products 14%
  - Household appliances 14%
  - Sports materials 13%
  - Computers 12%
  - Photographic and video equipment 11%
  - Automobile accessories 8%
  - Toys 5%
  - Horeca 5%
  - Watches and jewellery 4%
  - Leather goods and accessories 2%

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## P.A.- IMPORTANCE OF THE BRAND IN PRODUCTS OR SERVICES

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The data obtained from different sampling locations show no significant differences regarding order of importance

|                                  | % Avg. | Madrid | Catalonia | Valencia | Andalusia | Canary islands |
|----------------------------------|--------|--------|-----------|----------|-----------|----------------|
| FOOD                             | 37%    | 35%    | 46%       | 32%      | 36%       | 38%            |
| TELEPHONY SERVICES               | 30%    | 28%    | 26%       | 26%      | 40%       | 28%            |
| BEVERAGES                        | 27%    | 33%    | 24%       | 29%      | 32%       | 18%            |
| PERFUMES/COSMETICS               | 26%    | 18%    | 33%       | 22%      | 33%       | 22%            |
| MOBILE TELEPHONES                | 25%    | 26%    | 22%       | 17%      | 22%       | 27%            |
| CLEANING                         | 24%    | 23%    | 27%       | 20%      | 26%       | 23%            |
| CLOTHING                         | 21%    | 17%    | 18%       | 24%      | 22%       | 23%            |
| TOBACCO                          | 17%    | 13%    | 17%       | 14%      | 17%       | 16%            |
| FOOTWEAR                         | 16%    | 15%    | 12%       | 18%      | 18%       | 19%            |
| PHARMACEUTICAL PRODUCTS          | 14%    | 13%    | 14%       | 11%      | 15%       | 16%            |
| HOUSEHOLD APPLIANCES/EQUIPMENT   | 14%    | 17%    | 9%        | 12%      | 13%       | 17%            |
| SPORTS MATERIALS                 | 13%    | 15%    | 9%        | 11%      | 17%       | 11%            |
| COMPUTERS                        | 12%    | 12%    | 10%       | 6%       | 11%       | 20%            |
| PHOTOGRAPHIC AND VIDEO EQUIPMENT | 11%    | 13%    | 11%       | 6%       | 10%       | 14%            |

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P.A.- IMPORTANCE OF THE BRAND IN PRODUCTS OR SERVICES

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By gender and by age.

|                                  | Total | Male | Female | 18-24 | 25-34 | 35-44 | 45-54 | 55-64 | Over 64 years |
|----------------------------------|-------|------|--------|-------|-------|-------|-------|-------|---------------|
| FOOD                             | 37%   | 26%  | 45%    | 29%   | 51%   | 24%   | 35%   | 417%  | 31%           |
| TELEPHONY SERVICES               | 30%   | 26%  | 32%    | 31%   | 42%   | 19%   | 27%   | 33%   | 26%           |
| BEVERAGES                        | 27%   | 15%  | 29%    | 20%   | 29%   | 24%   | 30%   | 23%   | 26%           |
| PERFUMES/COSMETICS               | 26%   | 16%  | 32%    | 29%   | 29%   | 24%   | 25%   | 30%   | 27%           |
| MOBILE TELEPHONES                | 25%   | 32%  | 20%    | 33%   | 17%   | 29%   | 26%   | 37%   | 20%           |
| CLEANING                         | 24%   | 14%  | 30%    | 6%    | 39%   | 29%   | 19%   | 20%   | 27%           |
| CLOTHING                         | 21%   | 27%  | 17%    | 42%   | 15%   | 33%   | 19%   | 17%   | 14%           |
| TOBACCO                          | 17%   | 18%  | 17%    | 15%   | 12%   | 10%   | 26%   | 13%   | 11%           |
| FOOTWEAR                         | 16%   | 20%  | 14%    | 22%   | 13%   | 38%   | 16%   | 27%   | 10%           |
| PHARMACEUTICAL PRODUCTS          | 14%   | 13%  | 15%    | 9%    | 13%   | 14%   | 13%   | 10%   | 23%           |
| HOUSEHOLD APPLIANCES/EQUIPMENT   | 14%   | 17%  | 12%    | 11%   | 12%   | 19%   | 15%   | 23%   | 10%           |
| SPORTS MATERIALS                 | 13%   | 18%  | 9%     | 20%   | 8%    | 10%   | 14%   | 10%   | 5%            |
| COMPUTERS                        | 12%   | 16%  | 9%     | 29%   | 3%    | 24%   | 16%   | 10%   | 1%            |
| PHOTOGRAPHIC AND VIDEO EQUIPMENT | 11%   | 16%  | 7%     | 13%   | 4%    | 10%   | 18%   | 10%   | 5%            |

P.A.- IMPORTANCE OF THE BRAND IN PRODUCTS OR SERVICES

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- By social class.

|                                  | Total | Higher | Upper-Middle | Middle-Middle | Lower-Middle | Lower |
|----------------------------------|-------|--------|--------------|---------------|--------------|-------|
| FOOD                             | 37%   | 33%    | 26%          | 37%           | 48%          | 36%   |
| TELEPHONY SERVICES               | 30%   | 17%    | 28%          | 25%           | 33%          | 36%   |
| BEVERAGES                        | 27%   | 29%    | 22%          | 24%           | 37%          | 24%   |
| PERFUMES/COSMETICS               | 26%   | 33%    | 21%          | 28%           | 23%          | 22%   |
| MOBILE TELEPHONES                | 25%   | 25%    | 33%          | 27%           | 27%          | 24%   |
| CLEANING                         | 24%   | 29%    | 9%           | 21%           | 18%          | 12%   |
| CLOTHING                         | 21%   | 17%    | 40%          | 30%           | 16%          | 14%   |
| TOBACCO                          | 17%   | 17%    | 21%          | 23%           | 23%          | 22%   |
| FOOTWEAR                         | 16%   | 13%    | 22%          | 20%           | 19%          | 20%   |
| PHARMACEUTICAL PRODUCTS          | 14%   | 13%    | 10%          | 9%            | 10%          | 16%   |
| HOUSEHOLD APPLIANCES/EQUIPMENT   | 14%   | 8%     | 9%           | 10%           | 13%          | 14%   |
| SPORTS MATERIAL                  | 13%   | 8%     | 21%          | 18%           | 17%          | 14%   |
| COMPUTERS                        | 12%   | 8%     | 24%          | 18%           | 16%          | 12%   |
| PHOTOGRAPHIC AND VIDEO EQUIPMENT | 11%   | 25%    | 14%          | 12%           | 11%          | 22%   |
| WATCHES AND JEWELLERY            | 4%    | 8%     | 6%           | 4%            | 7%           | 0%    |

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VOLUNTARY PURCHASES OF COUNTERFEITS

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## P.7 THE VOLUNTARY PURCHASE OF COUNTERFEITS

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Voluntary purchases of counterfeits

YES      NO

Voluntary purchase 2001

Voluntary purchase 2006

Voluntary purchase 2010

- As we said in the introduction, the percentages for voluntary purchases have not varied since 2006.

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## P.7 THE VOLUNTARY PURCHASE OF COUNTERFEITS

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- The minimum market share is still held by Catalonia (14%), which decreases its percentages in each survey, where as the highest market share is held by Madrid (24%) and Valencia (23%). The Canary Islands have decreased considerably, going from 22% to 16% on this occasion.
- As can be seen, the 2006 and 2010 curves are very similar, except at the end points where they seem to invert, possibly showing a certain stability in the data that makes them somewhat more reliable due to their repetition.

Madrid          Catalonia          Valencia          Andalusia          Canary Islands  
Voluntary purchase 2001          Voluntary purchase 2006          Voluntary purchase 2010

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## P.7 THE VOLUNTARY PURCHASE OF COUNTERFEITS

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- The data by gender display a certain continuity in the case of women, for whom the percentage does not vary significantly; not so with men, who increased these purchases by 2%.

Voluntary purchases of counterfeits by gender

Men                  Women

Voluntary purchase 2010

Voluntary purchase 2006

Voluntary purchase 2001

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## P.7 THE VOLUNTARY PURCHASE OF COUNTERFEITS

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- With respect to age, the data show a reversal of the 2006 trend, in the age segments with the higher purchase percentages, these have decreased somewhat, whereas the segments that recorded the lower percentage now have shown a big increase, with the biggest counterfeit-consuming age brackets between 18-24, 55-64 and 35-44.

| 18-24                   | 25-34                   | 35-44                   | 45-54 | 55-64 | Over 64 |
|-------------------------|-------------------------|-------------------------|-------|-------|---------|
| % vertical              |                         |                         |       |       |         |
| Voluntary purchase 2001 | Voluntary purchase 2006 | Voluntary purchase 2010 |       |       |         |

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## P.7 THE VOLUNTARY PURCHASE OF COUNTERFEITS

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- With respect to 2006 the most notable development is the increased share of self-employed and retirees, the decrease of students, management employees, non-managers and the unemployed; a certain trend toward equilibrium is seen in the share of all segments.

Voluntary purchases of counterfeits by occupation

| Student                 | Housewife | Self-employed           | Non-management employee | Management employee     | Retiree | Unemployed |
|-------------------------|-----------|-------------------------|-------------------------|-------------------------|---------|------------|
| Voluntary purchase 2001 |           | Voluntary purchase 2006 |                         | Voluntary purchase 2010 |         |            |

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## P.7 THE VOLUNTARY PURCHASE OF COUNTERFEITS

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- This same trend toward equilibrium that we saw in age groups is also reflected in the breakdown of the figures by role in the family, where the curve tends to flatten out toward a descending line in the higher percentages and an ascending line in the lower ones. All the same, children continue to be the biggest consumers of counterfeits.

Voluntary purchases of counterfeits by role in households

| Head of household       | Housewife               | Son/daughter            |
|-------------------------|-------------------------|-------------------------|
| Voluntary purchase 2001 | Voluntary purchase 2006 | Voluntary purchase 2010 |

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## P.7 THE VOLUNTARY PURCHASE OF COUNTERFEITS

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Lastly, the breakdown by social status shows a considerable increase of the percentage in the upper-middle bracket and a moderate rise in the lower-medium. In all events, the overall figure of 18% for voluntary purchases is mainly due to the middle-middle bracket, which accounts for 70% of the sample.

Voluntary purchases of counterfeits by status

| Higher | Upper-Middle            | Middle-Middle           | Lower-Medium | Lower |
|--------|-------------------------|-------------------------|--------------|-------|
|        | Voluntary purchase 2006 | Voluntary purchase 2010 |              |       |

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## P.7 THE VOLUNTARY PURCHASE OF COUNTERFEITS (the buyer)

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As we said in the previous report, there is no single profile of the consumer who knowingly buys counterfeit goods. In the pages that follow we will try to see how the social characteristics of such buyers may have changed since 2006.

The first difference we observe is that, without the overall percentage of buyers having changed, there was a considerable increase in the Madrid and Valencia region's participation in this practice, rising 6% with respect to 2006, and standing a more than 7% higher than the 2010 average.

Percentage contribution to voluntary purchases by geographic zone

Madrid      Catalonia      Valencia      Andalusia      Canary Islands

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## P.7 THE VOLUNTARY PURCHASE OF COUNTERFEITS (the buyer)

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Second, we see a decrease in women's contribution to purchases of counterfeits with respect to 2006, although they remain in the majority, with a 12% difference over men.

Percentage contribution to voluntary purchases by gender

| Voluntary purchase 2001 | Voluntary purchase 2006 | Voluntary purchase 2010 |
|-------------------------|-------------------------|-------------------------|
| Men                     | Women                   |                         |

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P.7 THE VOLUNTARY PURCHASE OF COUNTERFEITS (the buyer)

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The breakdown by age segments shows a greater distribution of such purchases, with a reduction of the differences that were seen in 2001 and 2006.

Percentage contribution to voluntary purchases by age

| Voluntary purchase 2001 | Voluntary purchase 2006 |          | Voluntary purchase 2010 |          |          |         |
|-------------------------|-------------------------|----------|-------------------------|----------|----------|---------|
|                         | 18 to 24                | 25 to 34 | 35 to 44                | 45 to 54 | 55 to 64 | Over 64 |

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P.7 THE VOLUNTARY PURCHASE OF COUNTERFEITS (the buyer)

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Something similar is seen in the breakdown by occupation as with by age, with an increase amongst management personnel, retirees and the unemployed, and a decrease in the other categories.

Percentage contribution to voluntary purchases by occupation

| Voluntary purchase 2001 |           | Voluntary purchase 2006 |                         | Voluntary purchase 2010 |  |
|-------------------------|-----------|-------------------------|-------------------------|-------------------------|--|
| Student                 | Housewife | Self-employed           | Non-management employee |                         |  |
| Management employee     |           | Retiree                 | Unemployed              |                         |  |

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P.7 THE VOLUNTARY PURCHASE OF COUNTERFEITS (the buyer)

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Analysed by family role, the distribution is as balanced as in 2006, although all positions in the household have increased their participation in such purchases with respect to that year.

Percentage contribution to voluntary purchases by role in household

|                             | Voluntary purchase 2001 | Voluntary purchase 2006 | Voluntary purchase 2010 |
|-----------------------------|-------------------------|-------------------------|-------------------------|
| Head of household           |                         |                         |                         |
| Housewife                   |                         |                         |                         |
| Son/daughter                |                         |                         |                         |
| Other position in household |                         |                         |                         |

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## P.7 THE VOLUNTARY PURCHASE OF COUNTERFEITS (the buyer)

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Lastly, the distribution by social class very clearly shows that, just as in 2006, it is the middle-middle or the broad middle category that accounts for the great bulk of consumers who knowingly buy counterfeits.

Percentage contribution to voluntary purchases by status

| Higher | Upper-Middle            | Middle-Middle           | Lower-Medium | Lower |
|--------|-------------------------|-------------------------|--------------|-------|
|        | Voluntary purchase 2006 | Voluntary purchase 2010 |              |       |

P.7 THE VOLUNTARY PURCHASE OF COUNTERFEITS (the buyer)

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- IN SHORT, THE MOST REMARKABLE FEATURES OF THE DATA ANALYSED ON BUYERS ARE:
  - WOMEN CONTINUE TO BE A MAJORITY OF SUCH BORROWERS, AS SHOWN BOTH IN THE DISTRIBUTION BY HOUSEHOLD ROLE AND IN THE BREAKDOWN BY GENDER, ALTHOUGH THERE WAS A NOTABLE RISE IN MEN'S PARTICIPATION IN THIS PRACTICE.
  - THE DISTRIBUTION BY AGE SEGMENTS IS MORE BALANCED THAN IN 2006, WITH MAJOR INCREASES IN PARTICIPATION BY THE OLDEST AND DECLINES AMONGST THE YOUNGEST.
  - SOMETHING SIMILAR OCCURS WITH THE BREAKDOWN OF SUCH BUYING BY OCCUPATION, WITH DECREASES IN NON-MANAGEMENT EMPLOYEES AND SIGNIFICANT RISES IN MANAGERS, RETIREES AND THE JOBLESS.
  - THE DISTRIBUTION OF COUNTERFEIT PURCHASES BY SOCIAL CLASS REMAINS CONCENTRATED IN THE BROAD MIDDLE, WITH VERY SMALL MINORITIES IN THE OTHER SEGMENTS

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#### P.7.A COUNTERFEIT PRODUCTS THAT ARE PURCHASED VOLUNTARILY

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REGARDING THE COUNTERFEIT PRODUCTS THAT THE RESPONDENTS SAY THEY BUY, WE OBSERVE:

- FALSELY BRANDED CLOTHES REMAIN THE BIGGEST ITEM PURCHASED, ALTHOUGH WITH A DECLINE FROM 2001 AND 2006.
- SECOND ARE COUNTERFEIT LEATHER GOODS AND ACCESSORIES, WHICH HAVE PRACTICALLY QUADRUPLED FROM 2001 AND 2006.
- COUNTERFEIT WATCHES AND JEWELLERY HAVE ALSO INCREASED MORE THAN THREEFOLD WITH RESPECT TO 2006.
- PERFUMES AND COSMETICS WERE THE FOURTH RANKED COUNTERFEIT PRODUCT, UP 2% FROM THE 2006 FIGURES.
- LASTLY, FOOTWEAR ALSO ROSE 3% WITH RESPECT TO 2006.
- THE REST OF THE SECTORS THEY MENTION —TOYS, BEVERAGES, AUTO ACCESSORIES, PHARMACEUTICAL PRODUCTS, ETC— DISPLAY PERCENTAGES OF LESS THAN 13%

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P.7.A COUNTERFEIT PRODUCTS THAT ARE PURCHASED VOLUNTARILY

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Question with multiple response

MOBILE TELEPHONES  
PHOTOGRAPHIC AND VIDEO EQUIPMENT  
PHARMACEUTICAL PRODUCTS  
TOBACCO  
INDUSTRIAL MATERIALS  
AUTOMOBILE ACCESSORIES  
BEVERAGES  
TOYS  
WATCHES AND JEWELLERY  
ELECTRONICS  
PERFUMES / COSMETICS  
LEATHER GOODS & ACCESSORIES  
FOOTWEAR  
CLOTHING

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P.7.A COUNTERFEIT PRODUCTS THAT ARE PURCHASED VOLUNTARILY

---

Question with multiple response

WATCHES AND JEWELLERY

PERFUMES / COSMETICS

LEATHER GOODS & ACCESSORIES

FOOTWEAR

CLOTHING

#### P.7.C COUNTERFEIT PRODUCTS / PLACES OF PURCHASE

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- THE PLACES OF PURCHASE INDICATED BY THE DATA SHOW, AS IN 2006, THAT LAWFUL ITINERANT SALES AND FLEA MARKETS ARE THE MAIN LOCATIONS FOR A MAJORITY (58%) OF THE PURCHASES AND SALES OF COUNTERFEIT PRODUCTS.
- THEY ARE FOLLOWED BY ILLEGAL ITINERANT SALES AND RETAILERS, WITH IDENTICAL 12% MENTIONS, ALTHOUGH THIS FIGURE REPRESENTS A DECLINE FROM THE PREVIOUS STUDY.
- EVEN LARGE DEPARTMENT STORES, ACCORDING TO CONSUMERS, HAVE AN 8% SHARE, THAT IS, ONLY ONE PERCENTAGE POINT LESS THAN IN 2006.
- LASTLY, THE RESPONDENTS MENTIONED OTHER PLACES WHERE COUNTERFEIT GOODS ARE BOUGHT AND THAT IN AGGREGATE WERE MENTIONED IN 21% OF THE CASES
  - HOME VISITS 4%
  - INTERNET 2%
  - CATALOGUE SALES 1%
  - OUTLETS RUN BY ASIANS 3%
  - ITINERANT SALES ON BEACHES 4%
  - OTHER COUNTRIES 4%

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P.7.C COUNTERFEIT PRODUCTS / PLACES OF PURCHASE

---

PLACE OF PURCHASE OF COUNTERFEITS

Question with multiple response

- Other
- Other countries
- Beach
- Outlets run by Asians
- Catalogue sales
- Internet sales
- Home visits
- Illegal itinerant sale (“top blanket”)
- Lawful itinerant sale
- Retailers
- Supermarkets
- Large department stores

2010      2006      2001

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P.8 COUNTERFEIT PRODUCTS / FREQUENCY OF PURCHASE

---

Hardly ever  
Occasionally  
Every month  
Every 15 days  
Every week

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## P.8 COUNTERFEIT PRODUCTS / FREQUENCY OF PURCHASE

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- As in the 2006 study, the results obtained in response to the question on the frequency with which these goods are purchased indicate a low frequency, at least inasmuch as admitted by the respondents.
- 97% say these purchases are infrequent —occasionally 34% and hardly ever 63%— and only 3% admit buying such products every month. It may be assumed in this case too that the responses obtained are skewed downward in an attempt to protect the image of the respondent.
- Following sociological and market indicators, even assuming that a majority have a very low purchasing frequency, an average consumer usually makes around one purchase per week, that is, 48 times per year.
- If we consider that the counterfeit brand purchases are the result of impulse and not rational buying habits, every buyer would be exposed at least 48 times per year, or more, to products of this type, which are found in many places.
- In this situation, 18% admit they buy counterfeits intentionally, with a high likelihood of making more than two purchases per year.
- Therefore, setting the average purchases at two per year is a very prudent figure which is very likely lower than the actual number.

P.10 AVERAGE EXPENDITURE

|   |  |              |  |              |
|---|--|--------------|--|--------------|
| - Taking that estimate of two purchases per year as average, we will make a calculation ... | Estimates of Current Population of Spain. <a |              | Estimates of the Current Population of Spain. <a |              |
|   | <b>National Results</b>                      |              | <b>National Results</b>                          |              |
|   | Population by reference date, gender and age |              | Population by reference date, gender and age     |              |
|   |  | Both sexes   |  | Both sexes   |
|   | <b>Units: Persons</b>                        | 1 April 2010 | <b>Units: Persons</b>                            | 1 April 2010 |
|   | 18 years                                     | 456353       | 54 years   | 565218       |
|   | 19 years                                     | 467766       | 55 years   | 547035       |
|   | 20 years                                     | 480028       | 56 years   | 530751       |
|   | 21 years                                     | 497183       | 57 years   | 515754       |
|   | 22 years                                     | 517699       | 58 years   | 507560       |
|   | 23 years                                     | 539855       | 59 years   | 505089       |
|   | 24 years                                     | 566263       | 60 years   | 497346       |
|   | 25 years                                     | 596888       | 61 years   | 489876       |
|   | 26 years                                     | 630882       | 62 years   | 487276       |
|   | 27 years                                     | 667813       | 63 years   | 479371       |
|   | 28 years                                     | 703525       | 64 years   | 465182       |
|   | 29 years                                     | 738522       | 65 years   | 447594       |
|   | 30 years                                     | 788447       | 66 years   | 427120       |
|   | 31 years                                     | 793149       | 67 years   | 414377       |
|   | 32 years                                     | 809645       | 68 years   | 387289       |
|   | 33 years                                     | 819052       | 69 years   | 360856       |
|   | 34 years                                     | 818897       | 70 years   | 350593       |
|   | 35 years                                     | 813361       | 71 years   | 354560       |
|   | 36 years                                     | 802966       | 72 years   | 348055       |
|   | 37 years                                     | 791078       | 73 years   | 356063       |
|   | 38 years                                     | 779114       | 74 years   | 365288       |
|   | 39 years                                     | 768947       | 75 years   | 365872       |
|   | 40 years                                     | 760824       | 76 years   | 355796       |
| 41 years  | 751924                                       | 77 years     | 344199   |              |
| 42 years  | 742097                                       | 78 years     | 329837   |              |
| 43 years  | 735947                                       | 79 years     | 311888   |              |
| 44 years  | 728241                                       | 80 years     | 290164   |              |
| 45 years  | 716074                                       | 81 years     | 269558   |              |
| 46 years  | 702343                                       | 82 years     | 247172   |              |
| 47 years  | 689230                                       | 83 years     | 225287   |              |
| 48 years  | 672477                                       | 84 years     | 203075   |              |
| 49 years  | 658084                                       |              | 36796461   |              |
| 50 years  | 645701                                       |              |  |              |
| 51 years  | 629094                                       |              |  |              |
| 52 years  | 608323                                       |              |  |              |
| 53 years  | 585928                                       |              |  |              |

Notes:  
1.- Note: results prior to 2009 are only available as at illegible date

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- Based on this estimate of an average of two purchases per year, we have made an approximate calculation of the respondents' annual expenditure.
- For that purpose we will take as base the Spanish population of between 18 and 84 years of age at 1 April 2010 obtained from the statistics of the Spanish Institute of Statistics (INE), which are set out in the adjoining table. We thus have a population of 36,796,461 persons; 18% of that population would be consumers who willingly buy counterfeits, that is, 6,623,363 persons.
- The average expenditure obtained in the research is €38.16 per purchase.
- Then, taking the aforesaid average of at least two purchases per year and assuming that it was of the same product, we would have total annual spending of €505,495,064.

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P.10 AVERAGE EXPENDITURE BY SAMPLING POINTS (IN €)

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- The total average expenditure in euros by sampling points places Madrid atop the expenditure ranking, with a difference of €14.7 in average spent over the overall mean. It is followed by Andalusia with a difference of €2.2 above the average, and then by Catalonia, nearly €5 below the average and Valencia and the Canary Islands, which have average spending nearly €10 below the mean.

2010

2006

Canary Islands

Andalusia

Valencia

Catalonia

Madrid

Total

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P.10 AVERAGE EXPENDITURE BY GENDER (IN €)

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- The gender breakdown of total average spending on counterfeits shows differences between men and women. Whereas in 2006 females had average expenditure some €1.5 below that of men, in 2010 they spent an average of €1.8 more than men.

Average expenditure on counterfeit goods by gender

| Total | Men | Women |
|-------|-----|-------|
|-------|-----|-------|

|      |      |
|------|------|
| 2006 | 2010 |
|------|------|

P.10 AVERAGE EXPENDITURE BY SOCIAL CLASS (IN €)

---

- Whereas in 2006 the total average expenditure distribution by social class showed that the minority segments of lower-middle and higher class had an average expenditure above the overall mean, the 2010 figures record another similar deviation; the likewise minority upper-middle segment exceeds the overall mean by nearly €29, while the rest of the segments are below the average.
- Nevertheless, the majority segment, the middle-middle, has an average expenditure of only €2.04 less than the overall average.

Average expenditure on counterfeits by social status

| Total | Higher | Upper-Middle | Middle-Middle | Lower-Medium | Lower |
|-------|--------|--------------|---------------|--------------|-------|
| 2006  |        |              |               |              |       |
| 2010  |        |              |               |              |       |

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P.10 AVERAGE EXPENDITURE BY AGE (IN €)

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- As for the breakdown by age, the 45-54 age group stands out notably as the biggest contributor to the purchase of counterfeits. With a 22% weighting it exceeds the overall mean by €21.3. The 55-64 segment has grown considerably with respect to 2006, when it was already above the mean expenditure, and in 2010 was spending almost €16 more than the overall average.

Average expenditure on counterfeits by age

| Total | 18-24 | 25-34 | 35-44 | 45-54 | 55-64 | Over 64 |
|-------|-------|-------|-------|-------|-------|---------|
|-------|-------|-------|-------|-------|-------|---------|

|      |      |
|------|------|
| 2006 | 2010 |
|------|------|

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## P.10.1 COUNTERFEIT BRAND PRODUCTS LAST PURCHASED

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- As for the type of product acquired in the last purchase made, the data show percentages very close to those seen in the reply to question P.7.A in relation to the counterfeit goods normally purchased by the respondents.
- In this case, for ease of understanding and comparison we have eliminated the products mentioned 3%, and for 2006 have left the equivalents to the ones named in this study.

Counterfeit brand products last purchases

Question with response

Don't know / Don't answer

Clothing

Household appliances

Watches and jewellery

Leather goods & accessories

Perfumes and cosmetics

Footwear

2010

2006

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P.10.1 APPROXIMATE AVERAGE EXPENDITURE ON LAST PURCHASE BY TYPE OF PRODUCT

---

Question with response

Don't know / Don't answer  
Household appliances  
Watches and jewellery  
Leather goods & accessories  
Perfumes and cosmetics  
Clothing  
Footwear  
Overall average expenditure

2010

2006

- As regards the reasons cited for voluntary purchase of counterfeit goods, the data are very clear: the main reason is cost savings.
- Ranking second was fashion, with 17% of replies. Note that in the gender distribution, fashion was given as the reason by 43% of women.
- Ranking third, at 15%, was curiosity.
- This was followed by reasons of personal satisfaction by 14% of respondents.
- Last in the list were:
  - Usefulness 11%
  - Prestige 5%
  - Representation 3%
- Essentially, the reasons of fashion, curiosity, personal satisfaction, prestige and representation all have a common element in that they mix aspects of the person's image vis-à-vis society insofar as it represents different roles and positions.

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P.11 REASONS FOR PURCHASING COUNTERFEITS

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Question with multiple response

REASONS GIVEN FOR COUNTERFEIT PURCHASES

Other reasons

Cost

Usefulness

Prestige

Personal satisfaction

Representation

Fashion

Curiosity

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P.11 REASONS FOR PURCHASING COUNTERFEITS BY GEOGRAPHIC AREA

---

Question with multiple response

REASONS GIVEN FOR COUNTERFEIT PURCHASES BY GEOGRAPHIC AREA

Other reasons

Curiosity

Fashion

Representation

Personal satisfaction

Prestige

Usefulness

Savings

Madrid

Catalonia

Valencia

Andalusia

Canary Islands

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P.11 REASONS FOR PURCHASING COUNTERFEITS

---

Question with multiple response

REASONS GIVEN FOR COUNTERFEIT PURCHASES BY GENDER

Women

Men

Savings

Usefulness

Prestige

Personal satisfaction

Representation

Fashion

Curiosity

Other reasons

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P.11 REASONS FOR PURCHASING COUNTERFEITS

---

Question with multiple response

REASONS GIVEN FOR COUNTERFEIT PURCHASES BY AGE

Over 64  
55 to 64  
45 to 54  
35 to 44  
25 to 34  
18 to 24

Savings  
Usefulness  
Prestige  
Personal satisfaction  
Representation  
Fashion  
Curiosity  
Other reasons

Question with multiple response

REASONS GIVEN FOR COUNTERFEIT PURCHASES BY STATUS

Lower  
Lower-Middle  
Middle-Middle  
Upper-Middle  
Higher

Savings  
Usefulness  
Prestige  
Personal satisfaction  
Representation  
Fashion  
Curiosity  
Other reasons

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INVOLUNTARY PURCHASES OF COUNTERFEITS

---

Involuntary purchases of counterfeits

YES NO

- Unlike what happened in 2006 and what we have seen in the analysis of voluntary purchases, the respondents here say they have purchased counterfeits but unknowingly, in 15% of the cases, that is, some 4% higher than in the previous survey. These consumers feel they have been deceived.

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P.12 INVOLUNTARY PURCHASES OF COUNTERFEITS BY GEOGRAPHIC AREAS

---

- These data are clearly reflected in the curve depicting the distribution by geographic regions, where large growth is seen in the percentage for Valencia, which has gone from 7% to 20%, and, though somewhat less, in Madrid, where the 9% recorded in 2006 has risen to 15% in 2010.

| Madrid                    | Catalonia | Valencia                  | Andalusia | Canary Islands            |
|---------------------------|-----------|---------------------------|-----------|---------------------------|
| Involuntary purchase 2001 |           | Involuntary purchase 2006 |           | Involuntary purchase 2010 |

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## P.12 INVOLUNTARY PURCHASES OF COUNTERFEITS BY GENDER

---

- An increase between the two periods was also seen in the distribution by gender, although the increase was higher for men, for whom the indicator was 7 percentage points higher than for women.

Involuntary purchases of counterfeits by gender

Men                  Women

Involuntary purchase 2010

Involuntary purchase 2006

Involuntary purchase 2001

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P.12 INVOLUNTARY PURCHASES OF COUNTERFEITS BY AGE

---

- The increase over the 2006 figures is likewise seen in the distribution by age in nearly all segments, most notably in the 18-24 age group, where the percentage has practically doubled, and in the over 64 category, which has risen nearly threefold.

| 18-24                     | 25-34                     | 35-44                     | 45-54 | 55-64 | Over 64 |
|---------------------------|---------------------------|---------------------------|-------|-------|---------|
| Involuntary purchase 2001 | Involuntary purchase 2006 | Involuntary purchase 2010 |       |       |         |

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P.12 INVOLUNTARY PURCHASES OF COUNTERFEITS BY OCCUPATION

---

- In the breakdown by occupation, the results show the increase is concentrated in three segments: students, with a rise 4%; managers, some 7% higher; and retirees, who were up 12%.

| Student                   | Housewife                 | Self-employed             | Non-management employee | Management employee | Retiree | Unemployed |
|---------------------------|---------------------------|---------------------------|-------------------------|---------------------|---------|------------|
| Involuntary purchase 2001 | Involuntary purchase 2006 | Involuntary purchase 2010 |                         |                     |         |            |

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## P.12 INVOLUNTARY PURCHASES OF COUNTERFEITS BY ROLE IN THE HOUSEHOLD

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- In terms of role in the household, the data indicate an increase amongst housewives, which saw a rise of 4%, and, above all, in the children, with an increase of 14% to 26%, more than twice as high as in 2006.

| Head of household         | Housewife                 | Son/daughter              |
|---------------------------|---------------------------|---------------------------|
| Involuntary purchase 2001 | Involuntary purchase 2006 | Involuntary purchase 2010 |

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## P.12 INVOLUNTARY PURCHASES OF COUNTERFEITS BY STATUS

---

- Broken down by social status, the data indicate an across-the-board rise of between 4 and 8 percentage points, depending on the income class of reference.

| Higher | Upper-Middle              | Middle-Middle             | Lower-Medium | Lower |
|--------|---------------------------|---------------------------|--------------|-------|
|        | Involuntary purchase 2006 | Involuntary purchase 2010 |              |       |

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#### P.12.1 COUNTERFEIT PRODUCTS THAT ARE PURCHASED INVOLUNTARILY

---

As regards the products bought, just as was seen with voluntary purchases, the main productions mentioned are clothing (45%), perfumes and cosmetics (20%), leather goods and accessories (19%) and footwear (12%), the same as with the counterfeit products purchased knowingly

TOBACCO

BEVERAGES

FOOD

SPORTS MATERIAL

TOYS

AUTOMOBILE ACCESSORIES

WATCHES AND JEWELLERY

ELECTRONICS

PHOTOGRAPHIC AND VIDEO EQUIPMENT

HOUSEHOLD APPLIANCES

INDUSTRIAL MATERIALS

FOOTWEAR AND SPORTS SHOES

CLOTHING AND SPORTS CLOTHING

LEATHER GOODS & ACCESSORIES

PERFUMES / COSMETICS

CLEANING

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## P.12.2 PLACES OF INVOLUNTARY PURCHASE OF COUNTERFEIT PRODUCTS

---

### PLACE OF PURCHASE OF COUNTERFEITS

Other

Night spots

Other countries

Outlets run by Asians

Catalogue sales

Internet sales

Home visits

Illegal itinerant sale (“top blanket”)

Lawful itinerant sale

Retailers

Supermarkets

Large department stores

2010

2006

2001

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## SUMMARY AND CONCLUSIONS

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## I. BRAND LOYALTY

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1. THE DEGREE OF LOYALTY TO A REGULAR BRAND OBTAINED FOR THE PRODUCTS AND SERVICES CONSIDERED IS 16%
2. IT MAY BE SAID THAT, IN GENERAL, SERVICES SUCH AS IN THE HORECA SECTOR, AND PRODUCTS SUCH AS LEATHER GOODS, ACCESSORIES, TOYS, JEWELLERY, WATCHES AND AUTOMOBILE ACCESSORIES ARE THE SECTORS WHERE CONSUMERS MORE READILY ACCEPT SWITCHING FROM ONE BRAND TO ANOTHER.
3. FOOD PRODUCTS, TELEPHONE SERVICES, BEVERAGES, COSMETICS PRODUCTS AND PERFUMES SHOW HIGHER LOYALTY PERCENTAGES AND THUS INDICATE CONSUMERS ARE MORE HESITANT TO SWITCH BRANDS.

## II. BRAND LOYALTY

---

4. SOME 85% OF CONSUMERS SAY THEY ARE LOYAL TO THEIR REGULAR BRANDS.
5. THE PERCENTAGE OF CONSUMERS WITHOUT SUCH LOYALTY STANDS AT AROUND 15%. IN OTHER WORDS, 3 PERCENTAGE POINTS LESS THAN THE 18% WHO ADMIT TO KNOWINGLY BUYING COUNTERFEITS AND 2 PERCENTAGE POINTS HIGHER THAN THE 13% WHO ACKNOWLEDGE INTENTIONALLY PURCHASING IMITATIONS.
6. BRAND DISLOYALTY HAS A VERY IMPORTANT ECONOMIC UNDERPINNING (THE ECONOMIC REASONS OF PRICE, SPECIAL OFFERS AND THE CRISIS WERE CITED IN 61% OF THE CASES IN AGGREGATE).
7. THE CURRENT CRISIS MAY BE HAVING ITS IMPACT, BRINGING DISLOYALTY TO THE 15% RECORDED HERE.

## II. VARIATION IN THE IMPORTANCE OF BRANDS

---

8. THE PRODUCTS WHERE DECLINES ARE OBSERVED IN THE ATTACHING TO A SPECIFIC BRAND CLOSELY MIRROR THE PRODUCTS AND SERVICES THAT CONSUMERS SAY THEY HAVE LESS LOYALTY TO: LEATHER GOODS AND ACCESSORIES, JEWELLERY AND TIMEPIECES, AUTOMOBILE ACCESSORIES, TOYS AND HORECA SERVICES.
9. THERE IS ALSO A VERY CLEAR ALIGNMENT BETWEEN PRODUCTS AND SERVICES THAT HAVE SEEN AN INCREASE IN THE IMPORTANCE ATTRIBUTED TO A SPECIFIC BRAND AND THOSE TO WHICH CONSUMERS EXPRESS THE MOST LOYALTY, SUCH AS, FOR EXAMPLE, FOOD, PERFUMES AND COSMETICS, CLEANING PRODUCTS AND MOBILE TELEPHONES.

### III. CHANGES IN BUYING HABITS DUE TO THE CRISIS

---

10. A FULL 55% OF RESPONDENTS SAY THEY HAVE CHANGED THEIR BUYING HABITS AS A RESULT OF THE CRISIS, THAT IS, MORE THAN HALF OF THE COUNTRY'S POPULATION HAVE FOUND THEMSELVES FORCED TO CHANGE THEIR SHOPPING PATTERNS AND HABITS FOR DIRECT ECONOMIC REASONS OR IN VIEW OF THE SHORT-TERM ECONOMIC PROSPECTS.
  
11. OF THOSE WHO HAVE CHANGED, 42% HAVE DONE SO TO BUY LESS, EITHER LESS FREQUENTLY (19%) OR IN SMALLER AMOUNTS (23%). AND ANOTHER 26% LOOK TO THE COMPETITION FOR A CHEAPER MANUFACTURER'S BRANDS.

BUT

- 23% HAVE OPTED FOR OTHER TYPES OF BRANDS.
  
- 9% FOR COPIES OF KNOWN BRANDS

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VOLUNTARY PURCHASE OF COUNTERFEITS

V. VOLUNTARY PURCHASE OF COUNTERFEITS

---

12. CONTRARY TO WHAT OCCURRED IN 2006 WITH RESPECT TO 2001, THIS TIME THERE HAS BEEN NO DECLINE IN THE CONSUMPTION OF COUNTERFEITS, AS THE PERCENTAGE OF KNOWING BUYERS OF SUCH PRODUCTS HAS REMAINED STABLE, AT 18%, AND THE AVERAGE AMOUNT SPENT HAS ACTUALLY GROWN.
13. IN THIS REGARD, IT MAY BE THOUGHT THAT THEIR IMPORTANCE AS STATUS SYMBOLS REPRESENTING MEMBERSHIP IN A CERTAIN SOCIAL GROUP HAS REMAINED INTACT.
14. THE PERCENTAGE FIGURES ON VOLUNTARY PURCHASES HAVE NOT VARIED SINCE 2006.
15. IN ANY EVENT, THE QUESTION IS:  

HAS THE CEILING BEEN REACHED OR IS IT THE CRISIS?

## V. VOLUNTARY PURCHASE OF COUNTERFEITS

---

16. IN RELATION TO THE VARIATIONS IN THE DISTRIBUTION BY GEOGRAPHIC AREA, GENDER, AGE, SOCIAL STATUS, ROLE IN THE HOUSEHOLD AND OCCUPATION, THE FOLLOWING STAND OUT:
  - THE AGE SEGMENTS THAT ARE THE BIGGEST BUYERS OF COUNTERFEITS ARE 18-24, 55-54 AND 35-44.
  - BY ROLE IN THE HOUSEHOLD, CHILDREN REMAIN THE BIGGEST CONSUMERS OF COUNTERFEITS, ALTHOUGH PURCHASES BY HOUSEWIVES HAVE ALSO INCREASED.
  - IN THE DISTRIBUTION BY SOCIAL CLASS, THERE WAS A VERY CONSIDERABLE RISE IN THE PERCENTAGE SEEN IN THE UPPER-MIDDLE INCOME BRACKET AND A MODERATE INCREASE IN THE LOWER-MIDDLE.

## V. VOLUNTARY PURCHASE OF COUNTERFEITS: THE CONSUMER

---

17. THE PROFILE OF THE CONSUMER WHO KNOWINGLY AND WILLINGLY BUYS COUNTERFEIT GOODS HAS CHANGED AS FOLLOWS:
  - WOMEN CONTINUE TO MAINTAIN THEIR MAJORITY PARTICIPATION IN THIS PRACTICE, BOTH IN THEIR ROLE IN THE HOUSEHOLD AND IN THE GENERAL DISTRIBUTION BY GENDER, ALTHOUGH THE LATTER HAS SEEN AN INCREASE IN SUCH PURCHASES BY MEN.
  - THE AGE DISTRIBUTION OF THESE PURCHASES IS MORE BALANCED THAN IN 2006, WITH LARGE INCREASES IN THE HIGHEST AGE SEGMENTS AND A DECLINE IN THE LOWEST.

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## V. VOLUNTARY PURCHASE OF COUNTERFEITS: THE CONSUMER

---

18. THE BREAKDOWN BY OCCUPATION SHOWS A SIMILAR TREND, WITH A DECREASE IN NON-MANAGEMENT EMPLOYEES AND SIGNIFICANT INCREASE AMONGST MANAGERS, RETIREES AND THE JOBLESS.
19. THE DISTRIBUTION BY SOCIAL CLASS CONTINUES TO BE CONCENTRATED IN THE BROAD MIDDLE RANGE, WITH THE OTHER INCOME BRACKETS SHOWING SMALLER PARTICIPATION IN THIS PRACTICE.

## V. VOLUNTARY PURCHASE OF COUNTERFEITS: THE PRODUCTS

---

20. WITH RESPECT TO THE COUNTERFEIT PRODUCTS THAT THE RESPONDENTS SAY THEY BUY, WE OBSERVE THAT:
- COUNTERFEIT-BRAND CLOTHING REMAINS THE BIGGEST ITEM IN THESE PURCHASES, ALTHOUGH THE PERCENTAGE HAS DECLINED WITH RESPECT TO 2001 AND 2006.
  - SECOND RANKED WAS LEATHER GOODS AND ACCESSORIES, WHICH HAVE RISEN NEARLY FOURFOLD FROM 2001 AND 2006.
  - TIMEPIECES AND JEWELLERY HAVE ALSO MORE THAN TRIPLED WITH RESPECT TO 2006.
  - COUNTERFEIT PERFUMES AND COSMETICS WERE RANKED FOURTH, WITH AN INCREASE OF 2% OVER THE 2006 FIGURE.

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V. VOLUNTARY PURCHASE OF COUNTERFEITS: THE PRODUCTS

---

21. LASTLY, FOOTWEAR ALSO ROSE BY 3% WITH RESPECT TO 2006.
22. THE REST OF THE PRODUCTS MENTIONED —TOYS, BEVERAGES, CAR ACCESSORIES, PHARMACEUTICAL PRODUCTS, ETC— RECORDED PERCENTAGES OF LESS THAN 3% AND WERE THEREFORE NOT CONSIDERED STATISTICALLY SIGNIFICANT.

## V. VOLUNTARY PURCHASE OF COUNTERFEITS: PLACE OF PURCHASE

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23. THE PLACES OF PURCHASE INDICATED BY THE DATA SHOW, AS IN 2006, THAT LAWFUL ITINERANT SALES OR FLEA MARKETS ARE THE MAIN VENUE WHERE A MAJORITY (58%) OF TRADING IN COUNTERFEIT GOODS IS CARRIED ON.
24. THE NEXT MOST POPULAR SPOTS FOR SUCH PURCHASES WERE ILLEGAL ITINERANT SALES AND SPECIALISED RETAILERS, BOTH WITH 12% MENTIONS.
25. EVEN LARGE DEPARTMENT STORES HAVE AN 8% SHARE, THAT IS, ONLY ONE PERCENTAGE POINT LESS THAN IN 2006.
26. LASTLY, RESPONDENTS MENTIONED OTHER PLACES WHERE COUNTERFEIT GOODS ARE SOLD, MENTIONED IN AGGREGATE IN 21% OF THE CASES:
  - HOME VISITS 4%
  - INTERNET 2%
  - CATALOGUE SALES 1%
  - OUTLETS RUN BY ASIANS 3%
  - ITINERANT SALES ON BEACHES 4%
  - OTHER COUNTRIES 4%

V. VOLUNTARY PURCHASE OF COUNTERFEITS: FREQUENCY OF PURCHASE

---

27. THE DATA OBTAINED ON THE FREQUENCY WITH WHICH THESE PRODUCTS ARE BOUGHT SHOW THAT THESE PURCHASES ARE APPARENTLY NOT VERY FREQUENT, ACCORDING TO THE RESPONDENTS.
28. EVEN ASSUMING THIS IS TRUE, AN AVERAGE CONSUMER USUALLY MAKES AT LEAST ONE PURCHASE PER WEEK, THAT IS, SOME 48 TIMES PER YEAR. IF WE CONSIDER THAT THE COUNTERFEIT BRAND PURCHASES ARE THE RESULT OF IMPULSE AND NOT RATIONAL BUYING, EVERY BUYER WOULD BE EXPOSED AT LEAST 48 TIMES PER YEAR, IF NOT MORE, TO PRODUCTS OF THIS TYPE, WHICH ARE FOUND IN MANY PLACES.
29. BASED ON THIS CALCULATION, WE BELIEVE THAT THERE IS A HIGH LIKELIHOOD THAT THE 18% OF CONSUMERS WHO ADMIT TO BUYING COUNTERFEITS INTENTIONALLY WILL MAKE MORE THAN TWO PURCHASES PER YEAR. THEREFORE, TAKING AN AVERAGE PURCHASING FREQUENCY OF TWICE PER YEAR STRIKES US AS PRUDENT, AS THE REAL FIGURE IS PROBABLY HIGHER.

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#### V. VOLUNTARY PURCHASE OF COUNTERFEITS: AVERAGE AND PROJECTED EXPENDITURE

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30. THE AVERAGE EXPENDITURE OBTAINED IN THE RESEARCH IS €38.16 PER PURCHASE, COMPARED WITH €20.66 IN 2006.
31. THE SPANISH POPULATION OF BETWEEN 18 AND 84 YEARS OF AGE AT 1 APRIL 2010 OBTAINED FROM THE STATISTICS OF THE *INE* TOTALLED 36,796,461 PERSONS; 18% OF THAT POPULATION WOULD BE CONSUMERS WHO WILLINGLY BUY COUNTERFEITS, OR 6,623,363 PERSONS.
32. IF, AS WE HAVE ASSUMED, THE AVERAGE PURCHASING FREQUENCY IS AT LEAST TWICE PER YEAR, AND SUPPOSING THAT EACH PURCHASE WAS OF ONE PRODUCT ONLY, WE WOULD HAVE TOTAL ANNUAL SPENDING OF €505,495,064, VERSUS THE €256,151,935 ESTIMATED IN 2006.

## V. VOLUNTARY PURCHASE OF COUNTERFEITS: REASONS FOR PURCHASING COUNTERFEITS

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33. THE DATA OBTAINED ON THE REASONS FOR KNOWINGLY PURCHASING COUNTERFEITS WERE QUITE CLEAR: THE PRIME MOTIVATION IS TO SAVE MONEY (29%).
34. RANKING SECOND WAS FASHION, WITH 17% OF REPLIES. THIS IS COMPLETELY IN KEEPING WITH THE ROLE PLAYED BY WOMEN IN PURCHASES OF THIS TYPE. NOTE THAT IN THE GENDER DISTRIBUTION, FASHION WAS GIVEN AS THE REASON BY 43% OF WOMEN. IN THE AGE DISTRIBUTION, FASHION IS MENTIONED IN HIGH PERCENTAGES IN:
- 45-54 WITH 48%, HIGHER THAN THE COST SAVINGS REASON (33%)
  - 25-34, WITH 39%
  - 18-24, WITH 37%
35. ESSENTIALLY, THE REASONS OF FASHION, CURIOSITY, PERSONAL SATISFACTION, PRESTIGE AND REPRESENTATION ALL HAVE A COMMON ELEMENT IN THAT THEY MIX ASPECTS OF THE PERSON'S IMAGE VIS-À-VIS SOCIETY INsofar. IT IS NOT STRANGE THEN THAT SAVING BE SUBORDINATED TO FASHION AS A REASON, ESPECIALLY TAKING INTO ACCOUNT THAT THESE PURCHASES IN MOST CASES DO NOT INVOLVE PRODUCTS OF PRIME NECESSITY, BUT JUST THE OPPOSITE.

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INVOLUNTARY PURCHASE OF COUNTERFEITS

## VI. INVOLUNTARY PURCHASE OF COUNTERFEITS

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36. RESPONDENTS SAY THEY PURCHASED COUNTERFEITS UNKNOWINGLY IN 15% OF THE CASES, THAT IS, SOME 4% HIGHER THAN IN THE PREVIOUS 2006 SURVEY.
37. THE DISTRIBUTION CURVE BY GEOGRAPHIC AREA SHOWS LARGE GROWTH IN THE PERCENTAGE FOR THE VALENCIA REGION, WHICH WENT FROM 7% IN THE PRECEDING PERIOD TO 20% IN THIS ONE. MADRID INCREASED AS WELL, ALTHOUGH SOMEWHAT LESS, WITH ITS PERCENTAGE GOING FROM 9% IN 2006 TO 15% IN 2010.
38. AN INCREASE BETWEEN THE TWO PERIODS WAS ALSO SEEN IN THE DISTRIBUTION BY GENDER, ALTHOUGH THE INCREASE WAS HIGHER FOR MEN, FOR WHOM THE INDICATOR WAS 7 PERCENTAGE POINTS HIGHER THAN FOR WOMEN.
39. THE AGE DISTRIBUTION ALSO SHOWED SIGNIFICANT RISES WITH RESPECT TO THE 2006 DATA IN NEARLY ALL SEGMENTS, HIGHLIGHTED BY THE 18-24 AGE BRACKET, WHERE THE PERCENTAGE NEARLY DOUBLED, AND THE OVER 64 CATEGORY, WHICH ROSE ALMOST THREEFOLD.

## VI. INVOLUNTARY PURCHASE OF COUNTERFEITS

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40. BY HOUSEHOLD ROLE, THE DATA INDICATE THE INCREASE WAS AMONGST HOUSEWIVES, WHICH ROSE 4%, AND, ABOVE ALL, IN THE SONS AND DAUGHTERS, WITH AN INCREASE OF 14% TO 26%, MORE THAN TWICE AS HIGH AS IN 2006.
41. IN THE BREAKDOWN BY SOCIAL STATUS, THE DATA SHOW AN ACROSS-THE-BOARD RISE OF BETWEEN 4 AND 8 PERCENTAGE POINTS, DEPENDING ON THE INCOME CLASS OF REFERENCE.

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## VI. INVOLUNTARY PURCHASE OF COUNTERFEITS: THE PRODUCTS

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42. AS REGARDS THE PRODUCTS PURCHASED, JUST AS WITH VOLUNTARY PURCHASES, THE MAIN CATEGORIES MENTIONED WERE:

- CLOTHING 45%
- PERFUMES AND COSMETICS 20%
- LEATHER GOODS AND ACCESSORIES 19%
- FOOTWEAR 12%

IN SHORT, THESE ARE THE SAME AS ACQUIRED BY BUYERS WHO PURCHASE COUNTERFEITS INTENTIONALLY AND ARTICLES IN WHICH THE BUYER IS LOOKING FOR PRICE OPPORTUNITIES THAT END UP BECOMING FRAUDULENT

VI. INVOLUNTARY PURCHASE OF COUNTERFEITS: PLACE OF PURCHASE

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43. THE KEY FEATURE IN RELATION TO THE PLACES OF PURCHASE IS THE HIGH PERCENTAGE ATTRIBUTED TO:

- SPECIALISED RETAILERS: 41%
- LARGE DEPARTMENT STORES: 15%

THOSE LOCATIONS HAD A RELATIVELY SMALLER PRESENCE IN THE INTENTIONAL PURCHASE OF COUNTERFEITS, 12% AND 8%, RESPECTIVELY

44. IN COMPARISON WITH 2006, SPECIALISED RETAIL OUTLETS HAVE GROWN BY 7 PERCENTAGE POINTS AND LAWFUL ITINERANT SALES BY 3 PERCENTAGE POINTS, WHILE DEPARTMENT STORES SAW AN INCREASE OF 8 POINTS.

45. THEREFORE, THE MAIN PLATFORM THESE FRAUDULENT SALES SEEMS TO BE FOUND IN THE NORMAL DISTRIBUTION CHANNELS.

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## VI. INVOLUNTARY PURCHASE OF COUNTERFEITS: PRODUCTS

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TRADEMARKED BRANDS CONTINUE TO BE THE BEST GUARANTEE FOR CONSUMERS