

PLUGGING INTO AUTHENTICATION

Learn how the power of product authentication technology and tools from Authentic Vision helped Elsewedy Electric grow their business, track down counterfeiters, engage their customers and protect their brand.



Authentic Vision helps Elsewedy Electric protect their business and customers.

As consumers, how can we be sure that the electrical cables we purchase are authentic and safe?

As manufacturers, how can we help customers differentiate our products from erroneous and potentially dangerous imitations? In markets like Egypt, where 40 - 60% of electrical cables on the market may be counterfeit, shoppers and sellers could never be too sure what they were buying or selling.

Until now. Thanks to their work with Authentic Vision, Elsewedy Electric, a \$2B per year electric technology company based in Cairo, Egypt, is able to protect its customers and its market share from the dangers of counterfeiting.

A Growing Problem

Counterfeit products in any field unfairly erode the market share of legitimate manufacturers who invest in product innovation and safety. The producers of these fake products take advantage of established brands, violate their patents, copy their trademarks and flood the market with inferior goods not built to proper safety and design specifications.

The electrical cables industry is no different. They've witnessed an increase in the number of counterfeiters and substandard products. Customers are not able to easily distinguish fake products from the genuine article. Legitimate companies may even find themselves facing potential liability lawsuits for damages caused by inferior counterfeit products that were not even their own! As a trusted market leader in electrical cables since 1938, Elsewedy Electric, turned to Authentic Vision - a leader in authentication technology - to help them address the problem.

The Solution Specification

Working with Authentic Vision, Elsewedy Electric was able to define a complete anti-counterfeiting solution for their market. They needed a solution that would allow their distributors, contractors and consumers to readily recognize real products and reject counterfeit products at the point of sale based on a simple, easy-to-use application. They wanted to drive criminal counterfeiters out of business while putting the power back in the hands of consumers.

Their solution specification called for:

- A security tag that could not be copied at scale to stay ahead of counterfeiters
- The ability to apply a label to all products at the factory
- Label management options that support the manufacturing and distribution process
- The ability to authenticate products at the point of sale using a smartphone
- Data and analytics that could stamp out counterfeit activity through enforcement

Authentic Vision's Solution Delivery

Because of their complete, multi-faceted solution, Authentic Vision was able to meet all of Elsewedy Electric's specification requirements. This included a solution that end consumers could simply and actively check with the use of an application and a smartphone at any time, even at the point of sale.

Security to stop counterfeiters:

Authentic Vision technology offers a copy-proof holographic fingerprint technology that can only be produced once. This unparalleled asset security solution means that when industrial counterfeiters create fake products, they cannot copy or mimic Authentic Vision's security labels.

Simplicity to put the power back in the consumer's hands:

Customers can be assured of a product's genuineness upon completing their simple yet stringent authentication process and instantly see whether it is "Authentic" or "Counterfeit" — all on their smart phone. The burden of identifying counterfeit products is shifted from subjective human perception to objective technology and machines.

Traceability to track counterfeiters:

With Authentic Vision's powerful Business Intelligence backend, every time a product—genuine or otherwise—is scanned in the market, a data point is generated. Elsewedy Electric was able to put the analytics engine to work to identify and geo-locate counterfeits every time a product is scanned by the mobile application.

Ability to support a market awareness campaign:

With Authentic Vision's technology implemented, Elsewedy Electric was able to deliver a powerful market awareness campaign educating the market about the product ultimately putting the power to authenticate back into the hands of the end customers.

Solution Implementation

Step 1

Educating the market

While both Elsewedy Electric and Authentic Vision understood that half the battle to fight back against counterfeiting was a great authentication solution, they also knew the other half was an effective customer awareness campaign at the point of sale. The campaign needed to EDUCATE, INFORM and ARM users so they could readily identify genuine products and reject counterfeit ones. The campaign began by targeting males ages 25 – 55 years old within specific geographic locations from distributors and retailers.

Market Channel Reach included:

- Billboards
- Newspapers
- Radio
- Press Releases
- News (online and offline media)
- Events

Customer KPI metrics included:

- Downloads: Number of downloads and installations
- Social Media: Analytics and polls (Facebook and Twitter)
- Website: Landing page analytics
- Hotline: Customer Relations feedback - Quantitative & Qualitative
- Radio: Channel reach
- Billboards: Hotline and website
- Point of Sale: Hotline and website
- Print Media: Hotline and website

The billboard advertisement for Elsewedy Cables is divided into several sections. At the top, it features the Elsewedy Cables logo and the headline 'في خطوتين وبس.. سهولة وأمان' (In two steps and with ease... safety and security). Below this, it promotes the 'Elsewedy Original' app, showing download instructions for the App Store and Google Play. A QR code is provided for scanning. The text explains that the app is used to verify the authenticity of products by scanning a QR code on the packaging. It also mentions that the app is available in Arabic and English. The middle section shows a smartphone displaying the app's interface, which includes a QR code scanner and a confirmation screen. The bottom section features a large image of a cable reel and two smartphones: one showing a red 'X' indicating a counterfeit product and the other showing a green checkmark indicating an original product. The text at the bottom encourages users to download the app and verify their purchases.

Elsewedy Hurghada Billboard Ad

Campaign Accomplishments

- **Total of 43K application installs** (Android + iOS) for the Elsewedy Authentic Vision authentication application.
- **Customers were educated** about falsely named, fake products and the potential dangers of using such products.
- The Elsewedy Electric Application from Authentic Vision became **an integral part of the customer's buying process**.



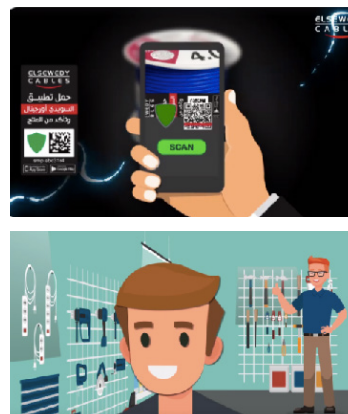
Banner ad for social media channels



Elsewedy Hurghada Billboard Ad



Point of Sale



YouTube

Step 2

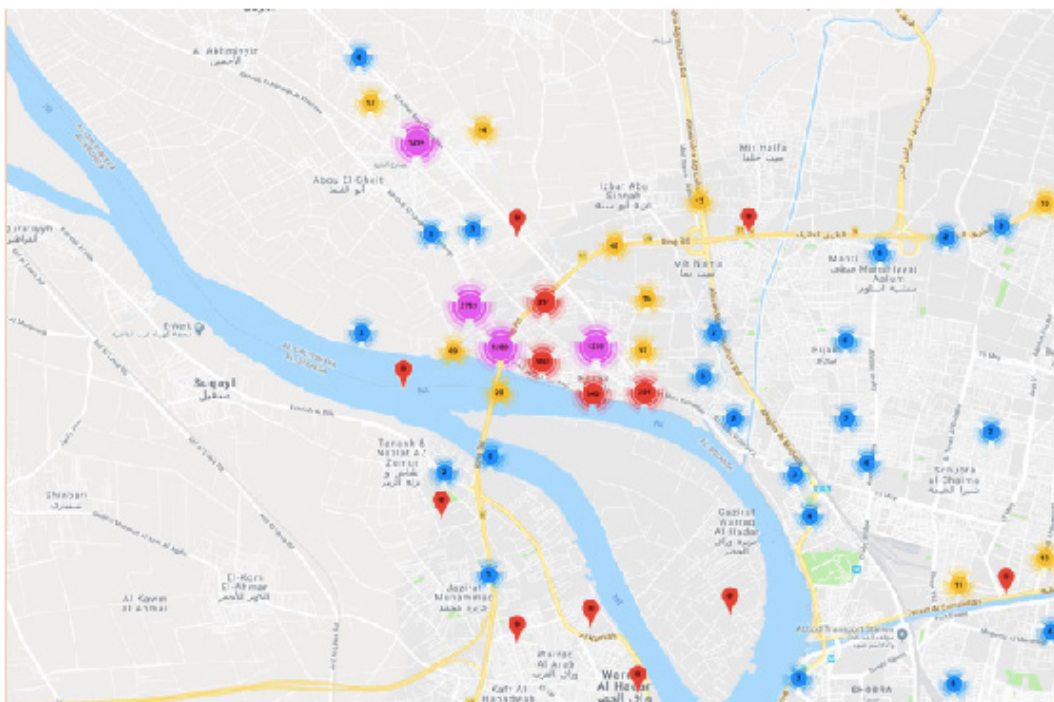
In-Market Observations and Findings

Counterfeiters react quickly to any product changes, including security technologies. As expected, within a day of Elsewedy Electric adopting Authentic Vision's security labels, counterfeiters were photocopying Authentic Vision labels and applying these copies onto their fake 'Elsewedy Electric' products.

The quality of the fake labels was crude, and, of course, could not be authenticated. Within a few weeks, counterfeiters were trying (and failing) to re-create the complex holographic technology contained within the Authentic Vision label.

Initially, Authentic Vision and Elsewedy Electric identified the specific label codes that were suspected of being used by counterfeiters. Daily scan rates were approximately 3K-5K authentications, and the system reported up to 50% of all scans to be scans of fake labels. Importantly, the user was instantly aware that the scanned product was fake. This shows the importance of Authentic Vision's solution to protect Elsewedy Electric's original products.

There are many counterfeit hotspots and these areas are also known for high criminal activity. As depicted in Fig. 1, the largest number of detected counterfeits were taking place in a specific location which could clearly be identified with the help of technology implemented in Authentic Vision application.



[Fig. 1]

Step 3

Analysis and Findings

How was the counterfeit problem detected and analyzed?

- **Counterfeits detected:** Till today, more than four thousand different types of copies exist and each of these were scanned multiple times. For example, the first created fake was already identified 11K times as counterfeit (as of January 2019) – see Fig. 2.
- **Scan Results displayed:** Upon scanning a fake label, a clear message appears on the smartphone screen: “Counterfeit Product.” This message instantly identifies fake products and protects customers.
- **Datapoint created:** As a fake product was scanned, a datapoint was created in the Authentic Vision system, including exact location.
- **Datapoints analyzed:** These datapoints were analyzed by Authentic Vision and allowed Elsewedy Electric to detect counterfeiting hotspots and provided actionable data which could enable them to take enforcement actions.
- **Results measured:** The market saw a large number of counterfeit labels. Reports show that one out of two labels on the market are counterfeit – indicating 50% of all checked Elsewedy Electric cables are counterfeit.
- **Supply Chain protected:** Authentic Vision’s technology allows Elsewedy Electric to extract and analyze the network of counterfeiters, their relation to each other, and also their role in the supply chain.

Key Findings

The key success factor is Authentic Vision’s unique holographic fingerprint, random serialization of the data matrix code and the use of blacklisting through server side analytics. That helped blacklist hijacked codes and also detected counterfeit activity. The application enabled Elsewedy Electric and Authentic Vision to stop counterfeiters dead in their tracks. Authentic Vision technology was able to recognize a pattern and distinguish between many scans of counterfeit by the same person within the same location that points to counterfeiters. Elsewedy Electric was encouraged to use the interactive map to also cross check their existing knowledge about the local market, such as location of important distributors, stores etc. This enabled follow-up investigations and enforcement action.

Counterfeiting Chronology

Attempts to Copy Authentic Vision's Labels and How We Stopped Them

After Two Days

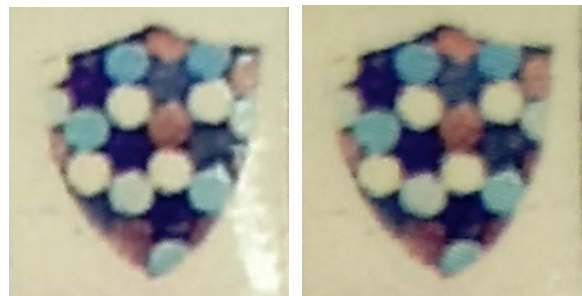
Copies of Authentic Vision label using standard photocopying machines appeared.



Top: [Fig. 2] Color copy of Elsewedy label.
Bottom: Locations of the counterfeit.

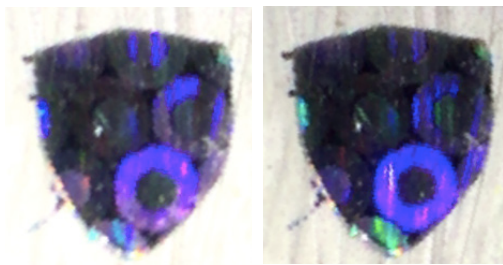
After Two Weeks

High quality printed replicas including original serial numbers.



After One Month

Replicas of the holographic foils. The majority of the foils originate from Egypt, but Chinese versions have also been detected.



After Two Months

Perfect to the eye replicas of the Authentic Vision labels including the holographic foil and original serial numbers.



Counterfeiters are always trying to break anti-counterfeiting technologies and at a furious pace. They have failed in creating and authenticating replicas of Authentic Vision technology. Customers should pay careful attention to the degree and level of security in the solutions that they are considering, given the vulnerability of solutions that are capable of being copied easily due to low security and the speed at which the counterfeiters move. They could easily get a false sense of comfort by adopting a technology, and not realize that the damage to revenue and brand is happening without them even knowing and after having made the investment in low quality solutions.



Results, Conclusions, and Takeaways

Successful Authentication and Counterfeit Detection

- To date, over 43,000 app instances have been installed across Android and iOS devices, and growing.
- Elsewedy Electric's products are successfully protected by the Authentic Vision's integrative solution.
- Several types of "Authentic Vision fake labels" have been identified and documented by Authentic Vision and all of these labels were blocked, therefore there is no counterfeit attempt that works.
- Approximately every three minutes, Authentic Vision scans detect a counterfeit.

Growing Awareness

- A successful awareness campaign has led to active behavior change in the market.
- Elsewedy's above the line (ATL) marketing/awareness campaign resulted in a behavior change on customer side. The scan of the product is now an integral part of the buying process.
- A process has been established where consumers are asking dealers to authenticate the Authentic Vision in shop before they purchase.

Authentic Vision continues their strong commitment to support their customer, Elsewedy Electric, in their quest to enhance authentication capabilities and track down counterfeiters using their business intelligence tools.

If you need help securing your products or your brand, Authentic Vision is ready to help. Our complete security solution helps you to protect your supply chain, grow your revenue and provide an engaging experience for your consumer. We are continuously innovating to deliver industry-leading anti-counterfeiting protection with today's customers in mind. Our anti-counterfeiting and authentication solutions target a variety of sectors including auto parts, pharmaceuticals, technology, chemicals, wine and spirits, and more. Authentic Vision is here to help you as you seek authentication solutions to secure your products. If you are interested in more information about Authentic Vision or Authentic Vision's offerings, or wish to order a samples box, please visit www.authenticvision.com.

Authentic Vision has the expertise, the creativity, and the tech leadership to be a true trusted partner. We are extremely satisfied with our results—and our ROI.

—MR. AHMED HASSOUNA,
GROUP MARKETING DIRECTOR,
ELSEWEDY ELECTRIC

