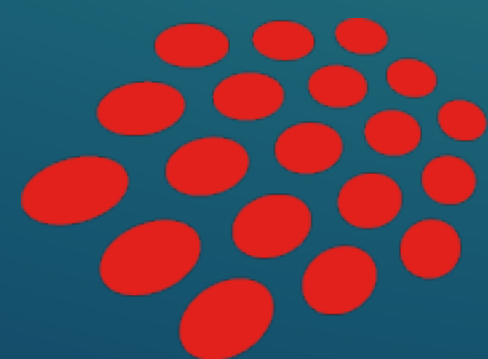


Brand Protection in China: Why is it important? How to do it?




DataTraceid
AUTHENTICATION SOLUTIONS



BESTON
Marketplace

1. Why is Donkey meat special?
2. One of two Starbucks rip-offs in this presentation?

SPECIAL



BESTON MARKETPLACE
Gone Nuts Hamper
Christmas Hampers
No review yet

SPECIAL



BESTON MARKETPLACE
Award Winning Cheese Hamper
Premium Hampers
No review yet

DataTraceID solutions ensure authenticity in supply chains and consumer products.

We build trust into brands through leading edge marking and identification technologies.



DataTrace

Using trace elements we embed a unique authentication foot print into a wide range of products and raw materials.



Digital Assurance

Consumers can immediately verify the authenticity of your product by scanning a QR code generated by our authentication software.



Smart Labels

A SecureID label provides consumers with a physical symbol of assurance.

“Would create an Australian-owned and integrated e-commerce traceability and anti-counterfeit software-as-a-service (SaaS) solution across a range of industries”

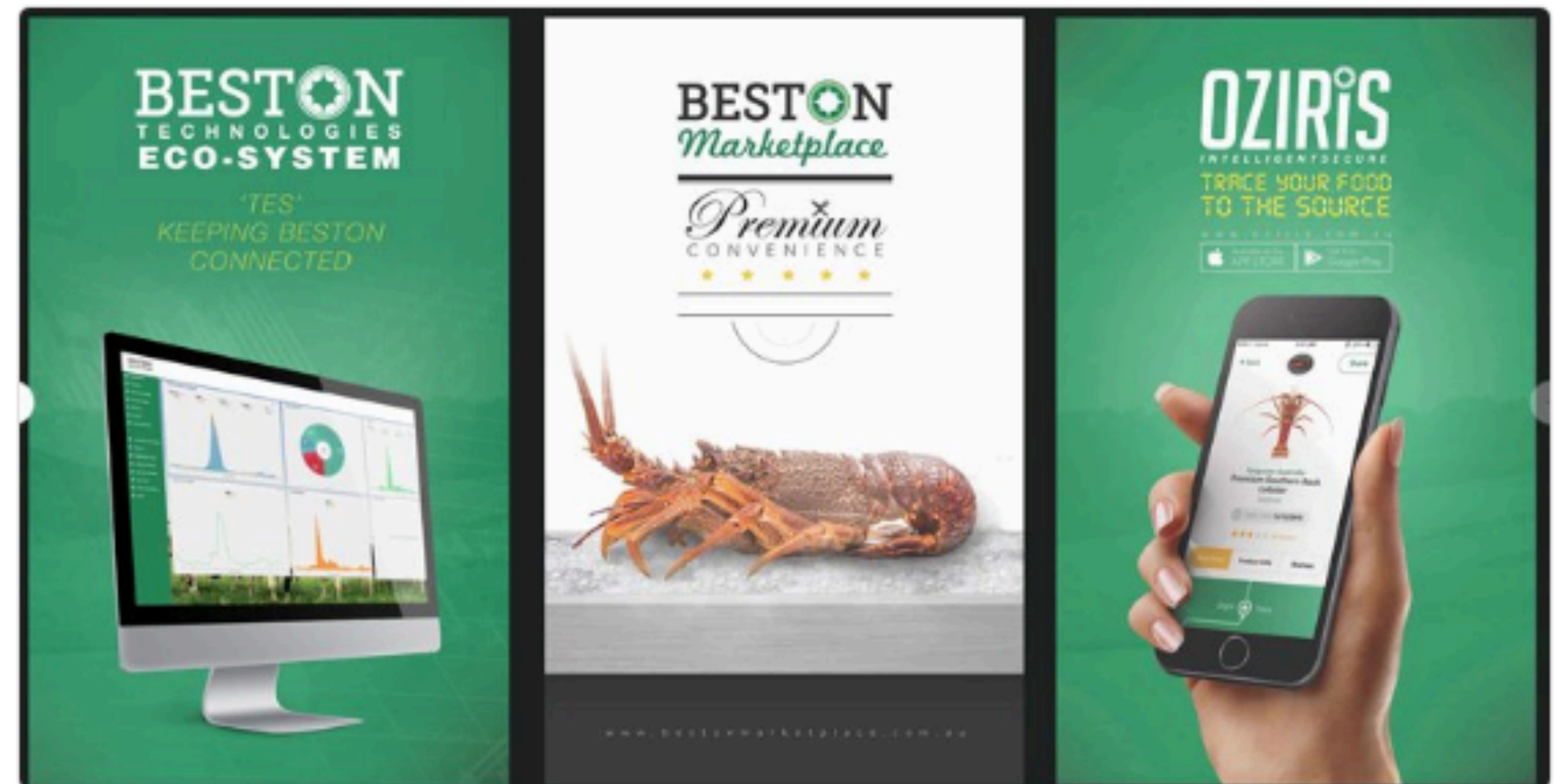


DataDot
@DataDotDNA

Follow



DataDot Technology Limited and Beston Global Food Company Limited are pleased to announce that they have executed Heads of Agreement (HoA) in relation to a possible merger of BFC's wholly-owned technology company, Beston Technologies Pty Ltd (BT), and DDT. bit.ly/2BwogUR



An Industry View on the Impact of Counterfeit

We've made it our job to uncover the truths behind fake. Take our 2 minute survey to give us your opinion on the impact of counterfeit and to receive your copy of the Counterfeit Counsel Report.

TAKE THE SURVEY NOW



We look forward to providing you with the latest counterfeit trends early in Q2 2018.

- **73%** - counterfeit is a problem in my industry
- **58%** - the counterfeit problem in my industry will get worse

Want more data?

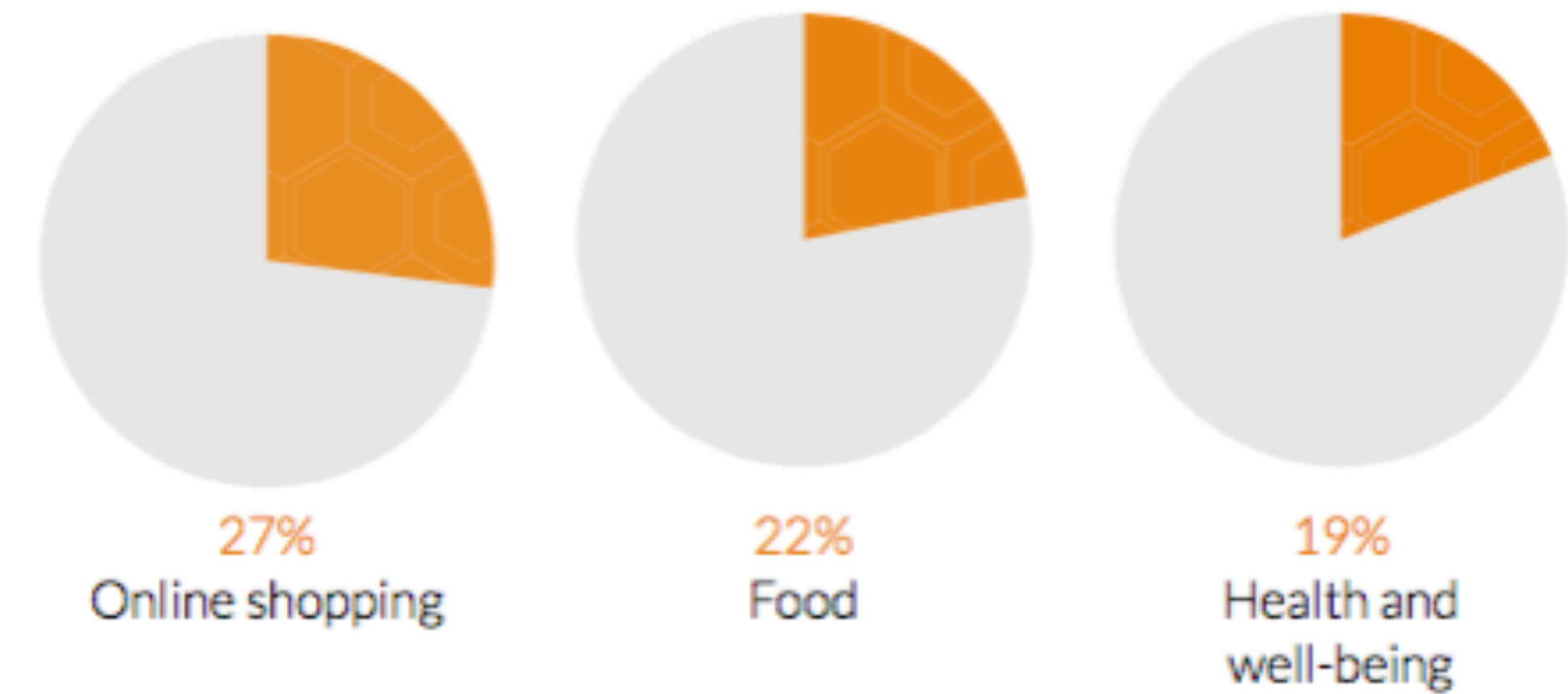
Take the survey!



Imagine you are a
Chinese Consumer

For many products you see counterfeit as a legitimate brand choice

Types of apps used by urban Chinese Consumers every day, China, 2016



Source: Mintel's Mobile Device Apps China 2016 Report

And you are also into health and well-being

“Across China there is a growing interest in personal health, fitness and overall wellbeing, and we see very strong demand from our customers in these categories”
said Alibaba's Hao Li

Well To Do 4 August 2016



But...



**70% of all Wine sold
in China is fake**

[World Trademark Review](#)

**China is home to a
\$285 billion
counterfeiting
industry,
representing 12.5%
of the country's
total exports**

Forbes





Nearly half of everything sold on the Taobao/Tmall sites is fake!

Forbes

Prize 1

Chinese consumers are angry because their donkey meat contains Fox!

Time





Last year (2016) a food delivery app was exposed for allowing unlicensed restaurants with fake images onto its platform

[Reuters](#)

And ... more than 300,000 babies became sick in 2008 due to the Fonterra baby formula scandal

Forbes



The Chinese consumer has Trust Issues! What's real and safe? What's not? How can I tell the difference?

Prize 2

Demonstrating Authenticity Increases Intention to Purchase!

The Chinese consumer, has:

- a high level of concern in relation to adulterated, counterfeit and misdescribed food, and therefore a stronger attitude and intention to purchase authentic food
- a general lack of trust in the Chinese food supply chain, particularly manufacturers and retailers

Demonstrating the authenticity of food had a positive effect on both attitude and intention to purchase

Authenticity cues had a positive effect on attitudes to purchasing

Presentation by Dr Sharron Kuznesof @ 2016 Asia-Pacific International Food Safety Conference - see [presentation](#)



Demonstrating Authenticity

Smartphone App



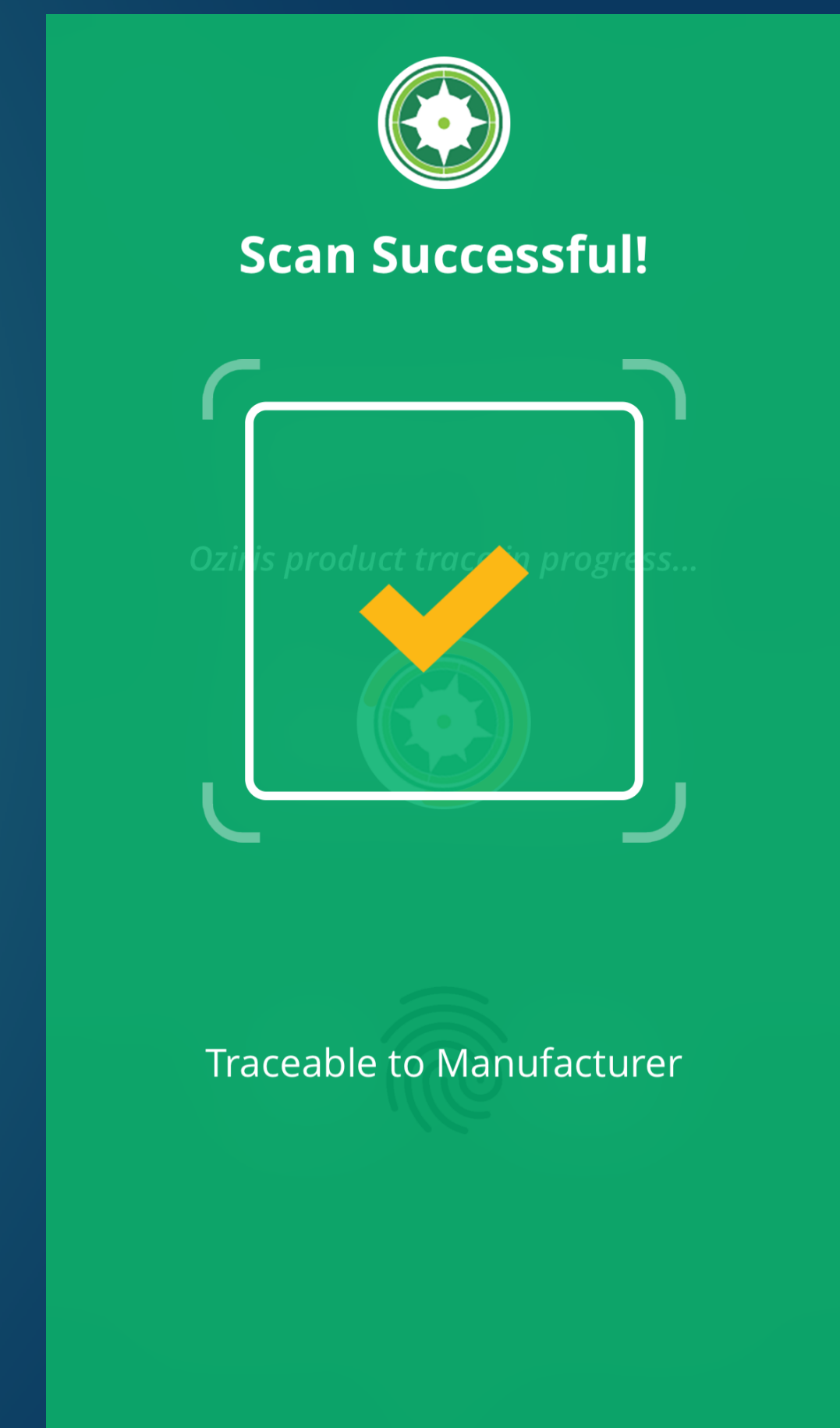
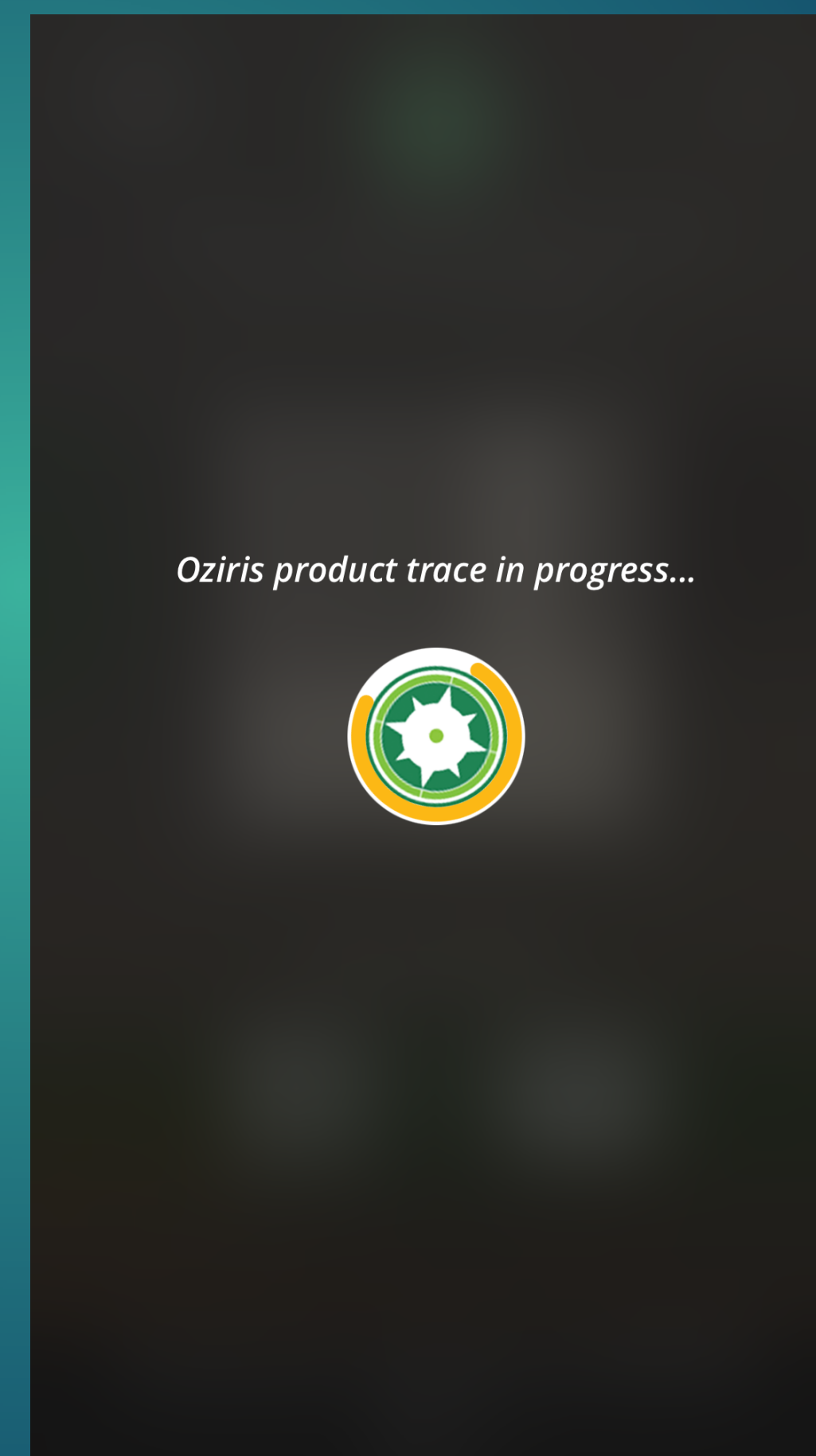
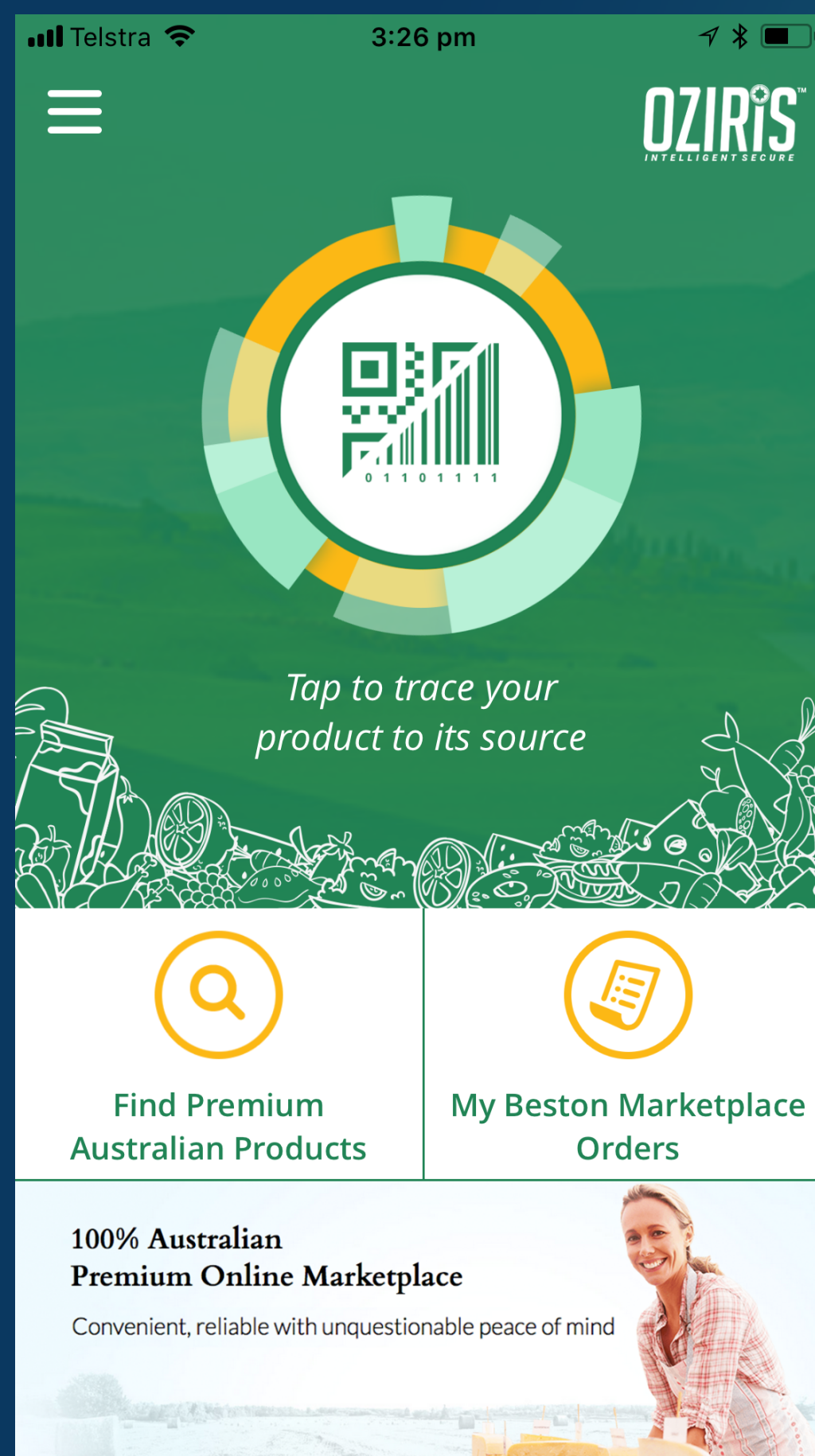
Smart Label



Product Authentication 1



Product Authentication 2



Product Home Page

Provenance

Nutrition

Additional Info

美 執者之

于胜景共赏的此刻，追溯岁月过往的印记
任浮华变迁，不为所动，任流年似水，坚守磨砺，
一如口子窖，真藏实窖，执着历练
芳华沉淀其中，醇美经久弥香
烟历年华，只为此刻绽放



- Kouzijiao Rice Wine is one of the largest Chinese alcohol producers
- In 2011 did an audit of the total market in China for products carrying their brand and found 160M bottles were sold.
- One small problem - they only manufactured 110M bottles in same period. The balance was counterfeit.
- In 2012 commenced a trial with DataTrace embedded in the ceramic on one line of high-end spirits = 5M bottles in first year. Put them in the market covertly.
- Discovered that some stores were stocking a mix of genuine and counterfeit product, they assumed knowingly.
- Stripped the dodgy stores of their resale rights. The word spread and many other stores, typically the larger ones, stopped stocking the counterfeits.

- In 2014 expanded DataTrace to other product lines and put them into the market covertly. Caught more stockists.
- Started applying different codes that allows them to identify product sold by each of their distributors. This has enabled them to stop unauthorised selling of their product by large distributors to small distributors.
- Overall results of the program –
 - increased sales (by 25%) higher margin through distributors
 - Less consumer complaints about product quality / taste and less product returns
 - Government collects more alcohol tax (that they don't get on counterfeit product)



- 
- Anonymous FMCG product. Global brand sold in China. B2C and B2B.
 - Suspected they had a counterfeit issue but were not clear on the extent - needed a way to collect data and benchmark counterfeit rates
 - High commercial dependency on distributors / retailers so needed it done covertly
 - Applied DataTraceID covert marking to the product in question and retained DataTraceID to conduct a sample buying and testing program (100 units / month)
 - Discovered they had a counterfeit issue: ~20% counterfeit rate; results used to take action against distributors and to issue 'take down notices' to Alibaba
 - Unexpectedly grey market import also ~20%



Key Take-aways

Chinese consumer is as into health and well-being as we are

But they generally don't trust the food supply chain

***Demonstrating Authenticity
Increases Intention to
Purchase!***

**Range of measures available –
think about what you want to
achieve**



TEMOGEN HIELD
CHIEF EXECUTIVE OFFICER



thield@datadotdna.com

+61 404-809-560



<https://www.linkedin.com/in/temogenhield/>