



LUXURY GOODS

How Luxury Brands Can Counter the Rise of Superfakes

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Right now, iconic global brands are stepping up efforts to combat the rise of “superfakes”.

Many of the world’s most sought-after luxury brands are seeking and implementing innovative solutions to protect their brand and their customers from high-quality counterfeit production.

The So What

“It's increasingly difficult for customers to easily identify the superfake,” says Catharina Martinez-Pardo, a managing director and partner at BCG who specializes in fashion and luxury work.

“Counterfeiters are becoming more sophisticated and more skilled, and fraud in some parts of complex supply chains, particularly non-transparency and insufficient chains of custody, can make products very difficult to trace.”

This isn't only a few individual vendors selling knock-off handbags at street markets; professional organized industries are also fueling the trade in fakes.

And replicas of a genuine handbag which may retail for \$10,000 can command price tags of more than \$1,000, due to the quality of materials and workmanship.

According to a 2025 OECD report based on data from customs seizure:

- Trade in fake goods is worth about \$467 billion annually, over 2% of global imports.
- Counterfeiting affects more than half of product categories, with high-value goods such as leather handbags, footwear, and watches among the top targets.
- Counterfeiters exploit online platforms to infiltrate legitimate trade, with small parcels sent by post emerging as a primary channel for distribution.

Once upon a time, visiting a luxury brand's boutique was the first guarantee of authenticity. But in an online world, counterfeiters take advantage of a range of channels, including second-hand resale platforms, as well as other online advertising—avenues which may have less formal scrutiny, even purported anonymity.

The technologies which exist to improve traceability vary from strategies as analog as brand-specific stitch counts or other subtle, intricate details across an item's components, to features such as QR codes or tiny microchips stitched into products to provide online verification and authentication.

“An important proof point and goal is to connect the physical product to a digital reality,” adds Martinez-Pardo. That is, to be able to trace a product without surveilling its owner.

A strong authentication strategy also brings opportunities to actively engage with second-hand marketplaces through enabling verification of product originality and building consumer trust in secondhand transactions. BCG research suggests that the secondhand fashion and luxury market is growing three times faster than the firsthand market, with the global resale market expected to reach up to \$360 billion by 2030—up from \$210 billion–\$220 billion today.

Now what

Among the myriad anti-counterfeiting methods, there are three strategies for brands to consider.

Double down on customer experience. Customers pay a premium for being associated with a brand they feel represents them, their lifestyles, and their aspirations. This can be nurtured by making the relationship between the brand and its customers a desirable experience and product in and of itself. There is an essence in a brand that customers feel without needing it to be explained: The language, the store experience, the way a brand meets customer needs. Intentional counterfeit sales have none of this relationship or experience aspect, Martinez-Pardo explains.

Innovate with technology to ensure traceability. Globally sourced supply chains introduce vulnerabilities to protecting design and innovation, but technological solutions, applied in a smart and sensitive manner, can help identify where a brand is exploited and allow brands and law enforcement to close down such attacks. Brands are also increasingly turning to Digital Product Passports (DPPs) to scan a QR code or chip on their product to access product information along the entire supply chain and production process. DPPs enable instant authentication and verification of product originality, thereby reducing counterfeit risk and restoring trust in secondhand sales. According to a recent BCG survey, authentication and verification are considered the most valuable features of DPP by consumers (70% when buying, 67% when selling), and DPPs are deemed especially valuable for the resale of handbags.

Collaborate with peers. There is an opportunity to work together with other brands to adopt best practices and innovation. Some fashion houses have already started creating standardized digital IDs with a proprietary blockchain, for example. There are also many cross-industry learnings which can be applied, with traceability across supply chains being required by many different industries to comply with environmental or human rights legislations, for example. Establishing cross-industry standards for anti-counterfeiting strategies can also allow brands to work collaboratively with third-party second-hand resale platforms, as well as online advertising and social media networks, to crack down on illicit sales of fake goods.

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