

Brand Protection

In looking at brand protection today, companies have many challenges.

These are some of my thoughts.

Let's take a look at Nike and focus on some of the issues facing that company in today's international environment.

First, what is Nike? Nike is a leading manufacturer of footwear, apparel, and equipment. It sells its manufactured goods in North America, Africa, the Middle East, Europe, Asia, and South America. Over the years it has grown substantially as a premier, recognized brand of quality sports apparel. The Jordan brand alone, named after basketball player Michael Jordan, comprises 10% of total Nike revenues. It includes not only footwear, but also training equipment, accessories, and sportswear items.

Nike has also grown to include the Converse brand of sports apparel and shoes, which it acquired in 2003, and the Hurley brand, which is youth-focussed apparel and shoes.

In looking at 1 of the 46 brands of Jordan shoes that Nike currently manufactures, the company sells the Air Jordan 1 Mid shoe for \$110.00. It is available for purchase directly on its site, or in stores, in 11 colors.

Research on this shoe on EBay, as an example of an online marketplace, showed that it is readily available from a variety of sellers in the U.S., for prices ranging from \$50 - \$220. On EBay alone, there are over 100,000 results for the Air Jordan 1 Mid shoe. This presents quite an issue when contemplating brand protection for Nike.

How does one measure loss or shrinkage, in an area's sales? Do you analyze sales to wholesale operations, or sales to retailers? What if the numbers don't conform? Operationally, what if shipments don't arrive as expected? And when they do, how can one ensure those deliveries aren't counterfeit.

As an investigator, I would tell companies to look for the bill of lading, or place of manufacture. I would also look for the authentic logo. Purchasers should also look for product defects, for example frayed or torn stitching or fabric, uneven glue application, or changes in colors, quality, and accurate sizing. You might also want to interview some retailers and loss prevention experts.

If you own a sporting goods store and you think your wholesale shipment or retail purchase isn't authentic, you can call the supplier and ask for verification of the vendors or distributors. Experts doing audit work for brand management often look for the following three things: **accuracy**, the item's **logo**, and the **source of sales**.

You can then present these findings to company management.

In the case of the Nike brand, creating, selling, and maintaining the successful brand is its own unique case study, and more innovative developments will surely soon be created.

- Christina Sultan is a member of the National Council of Investigative Services - and a licensed investigator. She has led numerous brand protection investigations, compliance assessments, and financial/forensic audit reviews for companies worldwide, including grey market and counterfeit investigations, since 2001.