

Putting the brakes on Automotive fakes



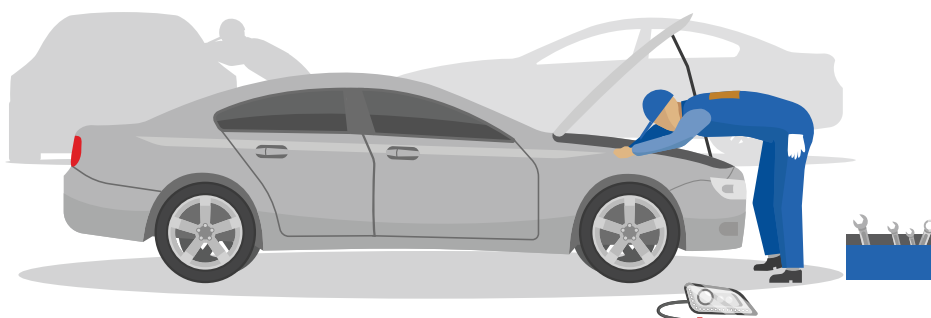
An invisible **signature of trust**

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- ◆ A significant proportion of the automotive related deaths occurring across the world have been attributed to low quality and fake spare parts.
- ◆ This has resulted in injury and death, and erosion of the brand reputation of major automotive companies.
- ◆ The trade in illegal counterfeit automotive spare parts is estimated to be as profitable as the illicit drug industry.



Commonly counterfeited automotive parts

AIRBAGS

Counterfeit airbags have been found to improperly deploy, or not deploy at all.



BODY AND STRUCTURAL PARTS

Counterfeit vehicle hoods may penetrate the passenger compartment in a crash.



BRAKES

Counterfeit brake pads have been found to jeopardize stopping ability.



ENGINE AND DRIVE TRAIN

Counterfeit spark plugs can overheat and may lead to fire.



SUSPENSION PARTS

Counterfeit suspension parts made of substandard materials have shown higher rates of failure.



WHEELS AND TIRES

Counterfeit tires often fail on air pressure and feature cracking, bulging, blistering, or abnormal tread wear patterns.



Source: Automotive Anti-Counterfeiting Council (A2C2)





The backdrop

A lose-lose scenario

Counterfeiting is a major issue in the automobile industry, as it not only results in lost revenue for manufacturers, but it can also pose serious safety risks for consumers.

Quality = Safety

Counterfeit automobile parts are often of inferior quality and may not meet the same safety standards as genuine parts, which can lead to serious accidents or even fatalities.

Fake parts, real impact

Consumers may mistakenly attribute parts failure to poor design or manufacturing, resulting in massive downstream and long-term loss of brand integrity, reputation and business.

Small parts, big problems

In the case of automobiles, the failure of a small part can result in a cascading effect, causing catastrophic consequences.

Low tolerance, high failures

The quality of counterfeit automotive parts may be compromised due to the material used to create them, resulting in much lower tolerance levels.

Saving money, losing lives

Fake car components often get into a car, when the owner is replacing worn out original parts at a lower cost.

A deadly trade-off

Automotive accidents don't affect more than just the driver – those impacted include pedestrians, and the families who are in the vehicles.

Shortage of genuine parts

Automotive counterfeiters push fake parts onto the market when there is a shortage due to logistics or supply chain issues.



Environmental damage

Many fake and spurious parts are made with materials that are deemed toxic to the environment. They leak into the environment during disposal, causing damage.

Aftermarket fit-outs

The aftermarket offers new designs and a higher variety of options – and attracts the consumer to buy sub-standard products which have not been tested for quality.

Online counterfeits

While ordering online, the consumer has no way of verifying the accuracy of the information given and must settle for the sub-par fake part that may arrive at their doorstep.

Good enough is not good enough

Many consumers are misled by unscrupulous or wrongly informed workshops or dealerships, that the 'second quality' product is good enough and will do the job.

Penalties are low for a 'victimless' crime

The production or trading of fake automotive spare parts is viewed as a victimless crime in many countries – this leads to a low penalty even if the counterfeiter is caught.

You know *only* when it fails

The consumer often learns of a fake spare part when a failure happens. Counterfeit products are difficult to detect by visual comparison alone.

Force fit to fail

Many illegal spare parts are repurposed from old/damaged vehicles or smuggled from a country where the standards and sizes are different – resulting in the same issues as a fake.

'Hacked' to death

Fake electronic parts are compromised by spyware that can allow the vehicle to be hacked and taken over. Software systems can fail, causing safety and performance issues.



Deadly numbers

The Daimler company got **138,000 fake parts removed in 2020**, reflecting a 3-fold increase in the numbers compared to 2019.

The EUIPO (European Union Intellectual Property Office) estimated that **2.2B EUR is lost every year by brands due to counterfeit tyre sales, and 180M EUR** due to fake batteries.

The global parts industry was estimated to be losing as much as **USD 45B in 2011**, a figure that has risen manifold in the following decade.

The counterfeiters are so brazen that there has been an instance of a fake brake shoe lining created using compressed grass. This caught fire in the instance of hard braking.

Toyota Kenya conducted a survey where they found that **8 out of 10 vehicles** in the country had at least one fake part.

In 2018, a commerce and industry body in India put forward the data that **20% of car accidents** in India are caused by counterfeit auto products.

In India, counterfeiting in the auto sector causes a **tax revenue loss of INR 2200 crores** to the government according to FICCI Cascade.

The problem is big and accelerating fast. Studies indicate that over **60% of results** in searches for car parts, results in a link to a counterfeit seller.

Mercedes Benz reported that **1.86 million counterfeit products** of its brand were globally seized in more than 650 customs and law enforcement raids in 2021 alone. It had even stated that **126,000** products were taken down from online platforms during that year.



Ennoventure's patented anti-counterfeit solution

Ennoventure's covert brand authentication solution can help prevent the spread of counterfeit and fake parts in the automotive industry.

Key features

Preventing replication of authentication features

Ennoventure's brand protection solution is invisible – and the counterfeiter cannot replicate the authentication.

Tracking the presence of fake parts

The manufacturer/brand can track the scans done by consumers or other stakeholders, and zero in on problematic locations or emerging issues.

Implement without process change

Ennoventure's invisible signature is integrated directly into the artwork and does not need any process changes.

