

Authentication vital for brand value protection

Rohitt D Mistry

PHARMA companies invest vast sums of monies to develop wonderful drugs to help cure maladies and diseases afflicting humanity. Great amount of money is spent to bring the product to market by investing in new testing and drug validation trials, production facilities, marketing and promotion, etc. The medicinal product is accepted and is a great success, but soon the brand gets unwanted publicity due to spurious products in the market place. Companies spend crores of rupees on all types of assets and promotion and yet the "Golden Goose" the brand,

Table showing features and benefits of various authentication systems

DEVICE	FEATURE	BENEFIT	REMARK	TYPE
SUBSTRATE	Watermarked paper	Controlled supply	Needs to be purchased in large quantities & excellent stock control	Detect, Deter and Forensic
INKS	UV, IR, colour changing, coin reactive thermochromic	Wide range, easy to use, incorporate and economical	Except thermochromic and UV all others need special test	Detect and forensic
CHEMICAL MARKERS	Special chemical markers, chemical reaction	Ideal for forensic testing	Specialist laboratory use	Detect and forensic
DIFFRACTIVE OPTICALS VARIABLE IMAGE DEVICES	Holograms, optical images, diffractive effects, etc	Cost effective, easy to use, and incorporate	Most successful authentication device to deter counterfeiters - over 88 currencies have holograms	Deter, Detect & Forensic
RFID	Date collection and transmission by radio frequency	Excellent automatic data collection/ transmission; no human intervention	Expensive electronic infrastructure required; max 95% read rates	Detect and forensic
TRACK & TRACE	Mass serialisation	Versatile, adaptable, machine readable, cost effective	Needs very good data collection and management	Detect

is put out into the market without any protection. Many studies have been

done in the past and now there is no doubt that there is presence of counterfeit drugs

and that they pose a real threat not only to the health of the patients but also to the

well being of the brand and the company.

CONTINUED ON p50

Your brand, is your



Golden Goose!

A brand can make or break the reputation of a company

The secret of your winning brand is the hard work that you put in, to nurture it to success. But there is a danger lurking around to steal your thunder. Whether you like it or not, Your brand is a sitting target for many counterfeiters. your brand needs protection like the way you protect your prized possessions with risk cover : leaving nothing to chance. So why take a chance on your best selling brand ?

Don't take a chance on your best selling brand ?

Your brand is your "Golden Goose" If not protected with a Holotech's authentication, then it is probably being counterfeited. Remember counterfeiting causes "no cash loss" but gradual decline in your brands integrity & your profits. Protect your brand with Holotech's & reclaim your profits!!



Holographic Security Marking Systems P. Limited
Head Office :109, Blue Rose Ind. Estate,
W.E.Highway, Borivali (E),
Mumbai-400 066. Tel : +91-22-6735 1000

Tel : +91-22-6735 1000
E-mail : sales@holotechonline.com
Visit us : www.holotechonline.com

Developing methods at economical cost vital

CONTINUED FROM p50▶

There are many ways to authenticate the packed medicine, but before we discuss that; it is interesting to note that even with the knowledge of the prevalence of counterfeiting there is still not sufficient action being taken by the industry to counter what is seen to be a growing problem. This lack of action to use devices to protect or authenticate pharma brands may be due to misapprehension of the high perceived cost of implementing a fool proof system to counter the counterfeiters. Of course the goal must always be zero counterfeits if an anti counterfeit system is employed, but as we all know life is not perfect. To develop a fool proof anti counterfeit system would be very prohibitive.

Therefore, it would be expedient to develop a system or methods that address most of the issues at an economical cost.

For instance we have a police force to counter criminals, yet we still have criminals. Clearly the police are not effective. Do we disband the police force? Of course not! We reassess and improve policing by developing special cells, new and better systems and methods to defeat the criminals. Therefore, similarly not to take action until we find the best system or method is flawed. As any action to protect one's assets is always right and action in the right direction will produce positive results.

Imagine if the same argument was used for the police force, then we would be over run by criminals. Similarly, one needs

Economics of Brand Authentication

Brand's details	
Brand's Sales Genuine for Qty	20000000
Brand's Sales price Rs 25%	25
Genuine Brand's Sales Rs	500000000
Brand sales Counterfeit 20%	100000000
Total Brand's sales	600000000
Investment in authentication Hologram	
One time investment in Brand authentication Hologram Master Rs	150000
Typical cost of Brand Authentication Hologram Rs. 0.1 per unit	2200000
Total hologram solution cost	2350000
Increase in sales of Genuine Brand due to decrease in counterfeiting	50000000
Product Margin 40%	20000000
Return on Investment in holographic solution	851.00%

to take appropriate action to minimise the possibilities of

spurious products in the market place.

The analogy can be further made to that of locking of front door to one's residence. When leaving the building one locks the front door with a key lock to ensure that our property is safe.

The key lock is not perfect, it can be easily "picked" and opened within few minutes, yet we continue to use it even when we know this fact. As not doing so, would pose even greater threat of loss or problems. Any and every authentication device can be likened to a perimeter protection to one's property. The degree of protection afforded by any particular method is dependent on the technique selected or the combination of security methods chosen. The greater the number of techniques and methods used effectively raises the odds against being counterfeited. We all protect our assets in a number of ways and so similarly a brand needs to be authenticated and protected by a multitude of methods for best results.

Counterfeiting causes no cash loss to the business. Losses due to counterfeiting do not appear in the profit and loss or the balance statement of the company. As a result most actions to curb counterfeiting are taken too late and often after some damage has been caused to the brand. Even the smallest level of counterfeiting is a serious threat to a business; it has the possibility to greatly affect the reputation and future viability of a company.

The counterfeit eats away at a Brand's good will and the confidence in the product which has

been built with care and great expense over many years.

Counterfeiting can destroy Brands in shorter time than It takes to build the Brand. Today not taking action in protecting the Brand is not an option.

Authentication techniques

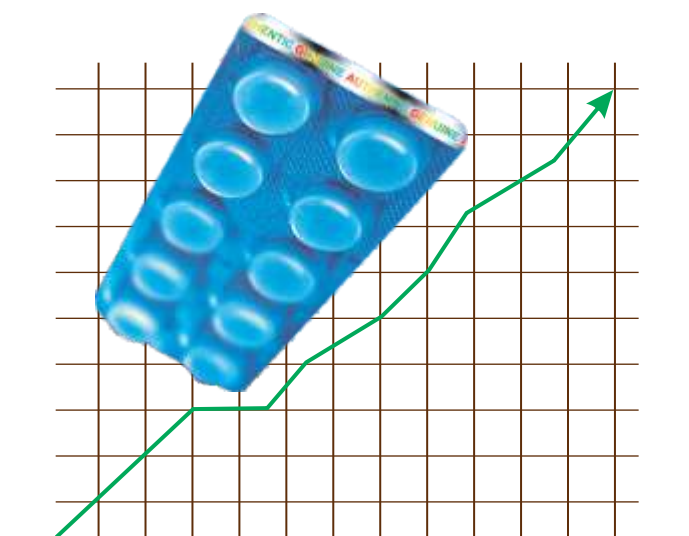
A through brand authentication system has three levels:

- Deter – a highly visible device to deter counterfeiters and is known as overt security.
- Detect – a device that is not easily visible, often hidden and known to the manufacturer only, known as covert security.
- Forensic – this device would also be hidden and would require special equipment or test in a laboratory to verify its authenticity. This is also a covert device.

To have a successful brand authentication device, one does not necessarily require all the three elements to be incorporated into a system. In many cases, it would not be practical and probably for most applications uneconomical. In practice, just the fact of applying a deterrent device is sufficient to stop most counterfeiting activity. It is very much like protecting one's house just by locking the doors and windows with adequate locks. But if more security is required then one adds grills, bars across doors, 24 hour security guard, CCTV, etc. Similarly if your brand is likely to be at great risk of being counterfeited then one must incorporate a range of overt, covert and

Recent OECD's research indicated that between 2008-2009 there was 53% increase in losses due to counterfeiting.

Protect your brand with
PHARMMASEAL™
and see your sales grow



So what's the answer ?

PHARMMASEAL™ from Holotech.

With **PHARMMASEAL™** you can protect your full range of pharmaceutical products from the menace of counterfeiting.

Get the **PHARMMASEAL™** advantage protect your market share and maximise your profits.

It pays to protect your brand with

PHARMMASEAL™



Holographic Security Marking Systems P. Limited

Head Office :109, Blue Rose Ind. Estate, W.E.Highway, Borivali (E),
Mumbai-400 066. Tel : +91-22-6735 1000

E-mail : sales@holotechonline.com • Visit us : www.holotechonline.com

CONTINUED ON p51▶

Set clear objectives to meet goals

CONTINUED FROM p50▶

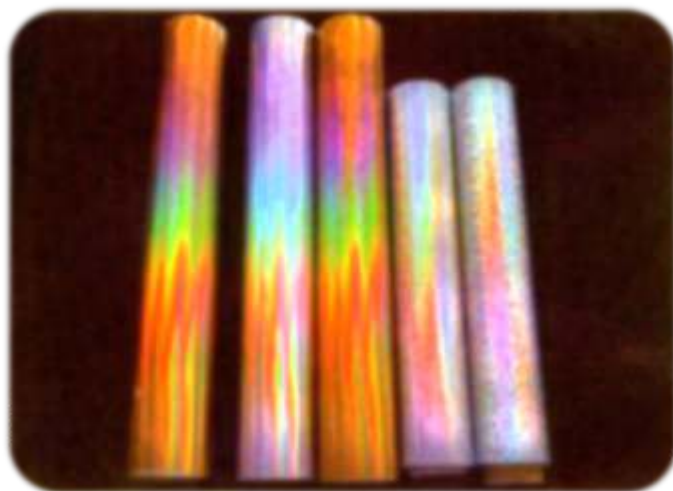
forensic features in the authentication system.

The method chosen must be "optimal", not too much and not too little, but just right. Just right can be achieved by reviewing and assessing the risks likely to be faced by the brand. Establishing terms of reference, then setting goals and key objectives that must be met. Then selecting the right set of authentication and security devices, taking care to see that the device is easy to validate, easy to incorporate, cost effective, etc. In such a situation it is good to apply the Pareto principle to achieve one's goals. In order to approach the process of arriving at a logical decision it may be beneficial to use a spider chart to compare the various methods and combination of methods being investigated. By comparing various options on the same chart one can see where they overlap and where they compensate each other.

What is important is to set clear non negotiable objectives to meet goals set for the brand.

- Clear objectives
- Budget for buying and implementation (some devices are cheap to buy, but very expensive to implement).
- Select device economical devices that address most of your requirement – use the Pareto principle.
- Monitor incidences of counterfeiting and progressively improve the deterrence.
- Companies looking to address counterfeiting situation should consider establishing a multi disciplinary team, preferably headed by a director, to work on the issue. Successful implementation is typically the result of careful team work with all the stakeholders within the company and the vendors also.

When deciding on the level and type of brand authentication required, the company needs to make sure the solution they choose is compatible with their existing set up. From the above table, one can see that there are many different ways to protect and the right selection will depend on your goals and objectives.



A review of the types of security devices suitable for use in India:

Substrates: Watermark paper, incorporating special microtagants and fibres in the paper can provide excellent security. Typically this special substrate affords very high level of security. However, as the substrate has to be custom made and has to be purchased in large quantities, this means that there would be a large stock of special substrate that needs to be held under tight security; this can be expensive.

Inks: wide range of special inks are available at relatively economical rates, needing special test by an expert, or equipment and cannot easily be detected by the buying consumer. It is ideal for, "back to base" testing and forensic use. Excellent when multiple security techniques are used in combination.

Chemical Markers: This is basically a "back to base" test and verification as It needs special chemicals to conduct the required tests and this usually renders the package unsaleable, but suitable when multiple security techniques are used.

Diffraction optical variable devices: technical term that encompasses many optical systems and particularly the hologram. Hologram is very versatile, it is overt, with bright kinetic colours, very difficult to duplicate (that is why over 88 currencies around the world have holograms on them to combat the counterfeiters – the Pound Sterling, Euro, Swiss Franc, etc), can have covert features within the image at several levels and is machine readable.

For value for money and the security afforded, there is nothing to date to beat the hologram.

RFID: excellent technology for tracking large shipments, but it has not yet met the standard for item wise application in the pharmaceutical arena. Also it requires tremendous electronic infrastructure and that makes it very expensive for most medicines.

Track & Trace (T&T): Ideal system to track and trace the medicine (using mass serialisation) from the producing factory to the sales point. The application of the mass serialisation, though very economical, but often it is not practicable as it also requires costly electronic infrastructure to ensure complete traceability.

From the above it can be seen that the hologram appears to be the best and economical all rounder and has proven itself, hence its use on currency notes around the world.

Why is the hologram successful?

- Hologram is based on optical technology.
- Cannot be scanned or electronically transmitted
- Hologram is viewed by refraction of light - impossible to photocopy.
- Cannot be simulated by any known printing technique.
- Involves the viewer - Image is kinetic – image moves, colour changes, different images at different angles.
- Economical - unit value of a hologram is low compared to its effectiveness.
- Holograms combined with other technologies makes it a formidable combination for brand authentication.

It is being agreed internationally, that counterfeiting is prevalent (finding a solution to any problem is to first recognise that there is a problem and then act to find an answer to solve it) and pharmaceutical

manufacturers must take protective action and prevent their product brands from being counterfeited. The experience of companies that have taken a lead in protecting their brands is very positive. International companies use overt anti counterfeit systems like holograms because they are able to make a return of 600% - 2000% or Rs.6 to Rs.20/-for every rupee invested in the hologram security to authenticate the brand. The returns are real and tangible. Corporations the world over and in India continue to use the hologram because they make returns, which far outweigh the input costs. The computation below is a typical example.

The key to successful Brand authentication is to take preventive action and if this is not possible to take immediate action by applying a brand Authentication device and then observing and improving and applying a combination of devices where necessary. You can only win, by protecting your valuable brand. ♦

The author is Chairman of Holographic Security Marking Systems Pvt. Ltd.



Who is Stealing your Profits ?

A brand can make or break the reputation of an organization. The secret to your hard-earned success is the result of a winning brand and nurturing it to perfection. But there's danger lurking around the corner. Whether you like it or not, your brand is sitting target for many counterfeit product manufacturers in our country. Your brand requires protection like the way you protect your prized possession : leave nothing to chance. So why take a chance with your best selling brand ? Protect your brand with Holotech's.

Widest range of anti-counterfeit and authentication solutions.

- Tamper evident Seals
- Tamper proof Labels & Seals
- Security Labels
- Security Holograms
- Shrink Sleeves
- Pharmaceutical Foils
- Hot Stamping Foil



Holographic Security Marking Systems P. Limited

Head Office : 109, Blue Rose Ind. Estate, W.E.Highway, Borivali (E), Mumbai-400 066. Tel : +91-22-6735 1000

E-mail : sales@holotechonline.com • Visit us : www.holotechonline.com