

Protecting Your Brand While Engaging Consumers

R.J. Dlugopolski
Business Development Mgr.

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Company Background

We are brand protection and consumer engagement experts.

Brand Protection

Sophisticated solutions to address counterfeiting and diversion challenges.

Consumer Engagement

Achieve new levels of engagement to extend consumer relationships.

Business Intelligence

Gain transparency and clarity throughout the supply chain, extending into online purchases and consumer experience.

Strategic Technologies

We combine security expertise with cutting-edge technologies and world-class partnerships to help meet business-critical needs.

Smart Package solutions and cutting-edge technologies

VerifyCode™ Serialization	VerifyInk™ High-security invisible pigment	VerifyLabel™ QR & tamper- evident labels
VerifyChecker™ Instant taggant scanner	VerifyAuthenticator™ Cloud-based taggant and serialization reader	VerifyMe Online™ Online brand protection

World-class partners



Why Are We Here?

How can new brands protect their consumers, their revenue, and reputation against counterfeits, and reap the benefits of **Consumer Connection**?

- A brief intro into the world of counterfeiting
- Best practices to protect **YOUR** brand now
- Crossing the bridge between Brand Protection and Consumer Engagement
- Example from the cannabis industry
- Questions?

How Big is The Problem?

Counterfeiting and diversion pose a mounting threat to businesses worldwide.

This impacts companies' bottom line, their brand reputation and consumer safety



6th

Counterfeiting is the sixth largest economy by GDP in the world



\$2.8T

\$2.8 trillion worth of counterfeit goods will be sold worldwide in 2021



1:20

The risk of a consumer purchasing counterfeit goods in the US



8-10%

Of Brands revenues are lost to counterfeit sales

How can brands address these issues?

Smartphone and cloud technologies have fundamentally changed the market.

The combination of cloud-based authentication software with mobile web experiences to help brand owners connect with consumers at point of sale and point of use to extend their engagement.



3.5B

There are 3.5 billion
smartphone users in the world



\$3.9T

With CAGR of 34.9%, mobile commerce is
expected to reach \$3.9T by 2026



QR code

Unique product QR codes make it
possible to connect products and consumers
instantly

“This is only an issue for high Value Luxury Brands”

5-Hour Energy awarded \$20 million in counterfeiting case

By Adi Menayang

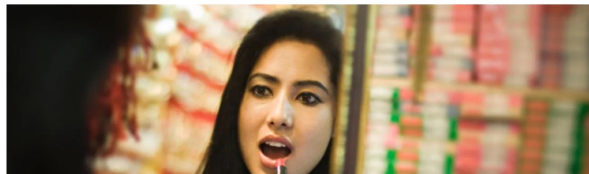
04-Apr-2016 - Last updated on 05-Apr-2016 at 14:51 GMT



HEALTH NEWS ✓ Fact Checked

Counterfeit Makeup a Rip-Off... and a Health Danger

After a Los Angeles raid uncovered counterfeit cosmetics with animal waste, experts are warning the public about the dangers of buying fake beauty products.



HEALTH AND SCIENCE

Investigation finds illegal synthetic marijuana in vape and edible products sold as CBD

PUBLISHED MON, SEP 16 2019 5:00 PM EDT | UPDATED MON, SEP 16 2019 6:32 PM EDT

- CA Legal cannabis market = \$3.3B
- Estimated counterfeit/black market in CA ~\$9B
- US CBD Market Estimate \$2.8B in 2020
- US CBD Counterfeit Estimates ?
 - 52 poisoned in Utah by counterfeit CBD
 - CBD suppliers are already on the FDA's radar for warnings/shutdown due to mislabeling

Brand Protection Best Practices

– Protect Your Consumers, Revenue, and Reputation!

- 1) Register your trademarks and logos in all geographic markets for all classes relevant to your business
- 2) Utilize unit level serialization with your label printer for product authentication, tracking, potential recall, etc.
- 3) Contract language with distribution partners on repercussions of selling counterfeits
- 4) Implement visible (overt) mark or security seal or logo that your consumers learn to trust and recognize
- 5) Implement invisible (covert) security such as microtext, IR ink, or hidden feature that only the Brand will be able to identify (investigative)
- 6) Crowd source YOUR brands enforcement efforts by incentivizing consumers to communicate with your brand by providing connection to COA, “How to”, Rewards, and Loyalty Programs.
- 7) Implement an Online Brand Protection service to monitor for potential infringing listings in Social Media, marketplaces (eBay/Amazon/Alibaba) and 3rd Party retail sites (www.cheapCBD.com)

Consumer Verification → Consumer Engagement

Meet customers where they are—to build sales and extend relationships.

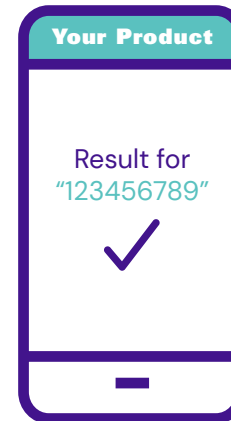
By leveraging overt QR technology, you can seamlessly link product authentication and customer engagement strategies to create powerful Smart Packaging solutions.



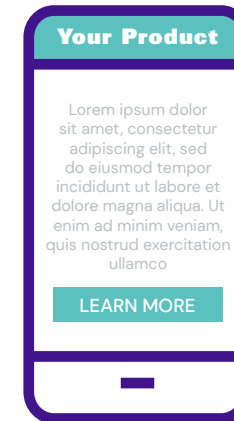
1.
Label Customization



2.
QR Scanning



3.
Authentication



4.
Engage

More about QR codes...

Static QR code = Same code on every product



- X Transports you to the general brand website...
- X No individual connection to that particular product or unit
- X Easily reproduced and reused on counterfeits -Repeatable
- X No tracking or brand protection info

Dynamic QR code = Different code on every item



- ✓ Can be used to authenticate an individual unit via cloud-based verification system
- ✓ Vast connection and content to the consumer: COAs, expiration date of product, “how to use” videos, where to buy related products, loyalty and rewards programs
- ✓ Customized # allowable scans
- ✓ Analytics to show geo-location of your consumers

Example Consumer Engagement

LA Based cannabis vape company utilizing the right tools to connect and protect

The Situation:

- Counterfeits of brand packaging widely available on street markets and online marketplaces
- Fakes found to contain dangerous impurities linked to lung illness
- Consumer confidence eroding and sales significantly impacted

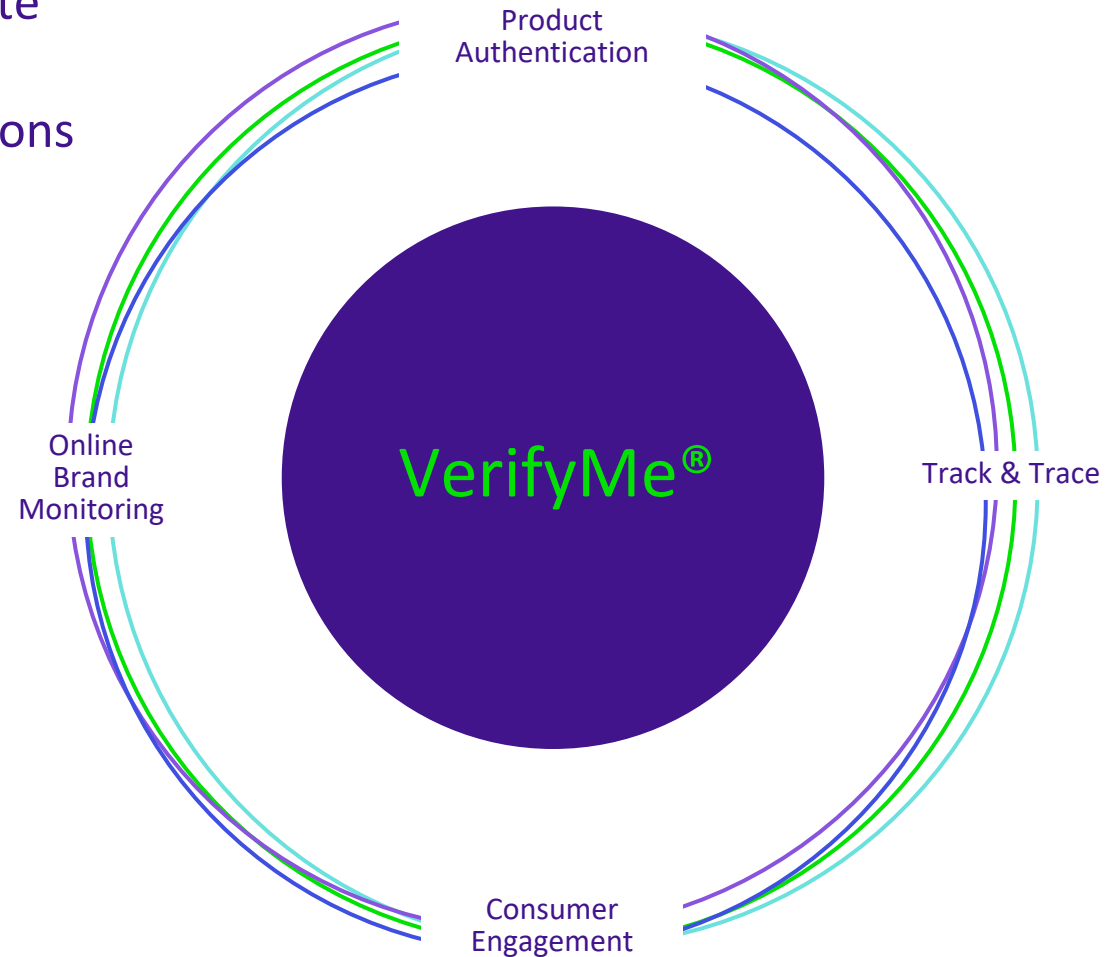
The Solution:

- Implemented a variable QR code and label seal solution + linked to rewards program for further incentive to scan and engage
- Used a specialized tamper evident box seal to insure no harvesting of seals
- Better than 7X increase in scan rate by consumers vs non-incentive based codes
- Drove additional sales from the Loyalty Rewards program by offering redemption toward merchandise and special promotions
- Overt security features implemented and communicated to consumers via website
- Direct line of communication from Consumer to brand to report suspected illicit material

Solution summary

We bring together world-class physical, digital, and online technologies to create comprehensive, customized product authentication, and engagement solutions to help protect your brand.

Questions?





Protect your brand. Grow your business.

US Headquarters

75 S Clinton Avenue

Suite 510

Rochester NY 14604

RJ Dlugopolski rdlugopolski@verifyme.com

Sacramento, CA

Business Development Mgr.