

Paper –Marketing Management

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Topic- Unethical Marketing in India

Chinese manufacturers "faking" products of Dabur, ITC, undermining the legitimacy of brands

NEW DELHI: Chinese manufacturers are increasingly taking popular Indian products of consumer goods giants such as Dabur and ITC, undermining the legitimacy of brands and causing losses worth as much as \$5 billion annually, officials said. "A lot of counterfeit Dabur products are made in China. We have conducted at least 20 raids in China but no proper action has been taken by the Chinese," said Ashok Jain, general manager of finance at Dabur India, the country's fourth-largest FMCG firm. He said such fake products manufactured in China with "Made-in-India" tag are supplied across the world, mostly in India and African countries. "It causes huge damage to the brand. Those fake products are obviously not up to our standards and supplied at very low prices," Jain told media. Dabur, which has nearly \$4 billion market capitalisation, operates in key consumer product categories like healthcare, skin care, hair care and oral care. The company's revenue last fiscal was \$910 million. Pradeep Dixit, a senior official of ITC, a \$33-billion conglomerate, said the popular FMCG brands of the company were counterfeited by unscrupulous firms and supplied in domestic as well as foreign markets.

"Our popular cigarette brand is faked and supplied widely in the states like Chhattisgarh, Bihar and Uttar Pradesh," he said.

"China is a big problem everybody is facing," said S.K. Goel, chairman of the Central Board of Excise and Customs, told IANS. Goel said the big international brands like Nokia, Adidas,

Reebok and Nivea were also widely counterfeited in China and supplied in India and other parts of the world. Chinese manufacturers are also faking drugs, endangering lives of patients. Fake drugs, carrying "Made in India" tags, supplied from China were recently detained in Nigeria and other African countries. KK Vyas, Delhi's deputy commissioner of police (crime), said the police have seized and confiscated a lot of fake and counterfeited products of popular brands in the national capital recently. Vyas emphasised on the need for enhancing punishment for unscrupulous manufacturers and importers. "Punishment needs to be enhanced. Also, there is need that judiciary addresses these issues quickly."

"Counterfeiting is a big menace. It is hurting everybody-consumers, industry and the exchequer," said Anil Rajput, chairman of the anti-smuggling and anti-counterfeiting committee of Federation of Indian Chambers of Commerce and Industry (FICCI). Recently, FICCI formed a panel called "FICCI-Cascade" that expands into a committee on anti-smuggling and counterfeiting activities destroying the economy.

According to a report by think tank India forensic Research Foundation, the total loss to the economy annually due to crimes such as counterfeiting, commercial fraud, smuggling, drug trafficking, bank fraud, tax evasion and graft is estimated at Rs 22,528 crore.