

# CUSTOMER SPOTLIGHT

## Spirits

### Brand Protection Authentication Solution

REVENUE LOSS DUE TO COUNTERFEITING AND ADULTERATION



## THE SITUATION

A spirits operation owned by a South American government was losing millions in sales revenue due to counterfeit product. In fact, they were experiencing a 30-40 percent counterfeit/adulteration rate. The spirits operation was the largest source of government revenue, so these

losses affected the government's ability to invest in state-funded projects such as school programs. The counterfeiting problem also put public safety and brand reputation at risk.



## THE CHALLENGE

The spirits operation needed a solution to their counterfeiting issue that would enable instant authentication of their products in the field. This would make it easier for law enforcement and

health agencies to distinguish authentic from counterfeit product in the field, enhancing their ability to investigate, arrest, and prosecute the counterfeiters.



## RESULTS

- ✓ 52 million liters of spirits marked
- ✓ 25% sales increase
- ✓ 10% of product found to contain counterfeits
- ✓ More than 1300 inspectors in 28 states put into place
- ✓ Over 300 retail outlets inspected
- ✓ Five counterfeiters investigated and arrested

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## THE SOLUTION

The spirits operation turned to Authentix to solve their counterfeiting problem. Authentix put in place an authentication solution for spirits bottles that used a combination of in-product and on-package security features. The in-product security feature was added directly into the bottle and could be instantly authenticated by a field test kit. It could also be sent back to the forensic lab for testing.

The on-product security features were both overt and covert. The overt feature was a tamper evident seal that could be detected by the consumer. The covert security feature was added to the label for authentication by law enforcement and health agencies using a proprietary handheld device.



## THE OUTCOME

Within the first year of the program, 75 million liters of spirits were protected (approximately 100 million bottles). More than 1300 inspectors (law enforcement and health agencies) in 28 states had inspected over 300 retail outlets. Of these,

10% were found to carry counterfeit product. Five retail outlets were investigated, which resulted in multiple arrests. Consequently, the brand owner experienced a 25% increase in sales over the same time period.

## ABOUT

As the authority in authentication solutions, Authentix helps customers thrive in supply and distribution chain complexity. We provide advanced authentication solutions for governments, central banks, and commercial products, ensuring local economies grow, banknote security remains intact, and commercial products have robust market opportunities. Our partnership approach and proven sector expertise inspire proactive innovation, helping customers mitigate risks to promote revenue growth and gain competitive advantage.

**Is your company struggling with lost revenue due to illicit activity throughout your supply chain?  
Are you in need of an authentication solution to help combat the counterfeiters?**

If so, let us help you. Contact [info@authentix.com](mailto:info@authentix.com).