

Online marketplaces: A fertile ground for scammers, counterfeit merchants

A harrowing study by Michigan State University published last year found that nearly seven in 10 people were deceived into buying counterfeit products online during the 12-month research period.



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The study revealed that counterfeit items were most commonly published on e-commerce websites (39%) and social media (39%). Most (68%) of social media purchases were on Facebook.

Given that the global internet economy is worth about \$15tn (R283bn), e-commerce is fertile ground for scammers and counterfeit merchants.

“Online marketplaces can be a fantastic place to purchase new and used goods at great value. Unfortunately, at times, sellers try to pass counterfeit goods, for the real deal,” says Jacques Jordaan, operations manager at Bob Group.

“These fake products often mimic the appearance of genuine items but lack the same quality, performance, and safety

standards. It's essential for the marketplace to constantly check the legitimacy of sellers and the goods they sell."



SA's battle against fake goods

Mohamed Khader 7 Nov 2023



The golden rule, Jordaan says, is that if products and prices look too good to be true, they probably are.

If a seller offers a vast quantity of famous or limited-edition products, it may be a sign of counterfeit goods, primarily if the product is known to be in high demand or difficult to obtain. A lack of description and photos can also flag potential problems with items.

Jordaan recommends that marketplaces should have a history for the seller. Bob Shop, for example, displays the seller's average rating score on every listing page and allows the consumer to navigate to a dedicated rating page for each seller.

"The consumer should also be comfortable with the marketplace's payment options and ensure that they are offered by leaders in the payment field."

Having limited or only one payment method should be a big red flag for buyers. Buyers should also be able to contact the marketplace's support teams quickly.

Things to look out for

He mentions several points in the online shopping journey where consumers might encounter counterfeit and unsafe goods. These include:

- **After-sales service:** Third-party sellers and support go hand in hand. Consumers should be able to include the marketplace support teams in their aftersales queries with sellers. Support teams are the first point of contact for all queries.
- **Price comparison:** Compare prices for the same or similar products from multiple sellers to ensure you are getting the best value for your money. Be wary of prices that seem significantly lower than market value, as they may indicate counterfeit or poor-quality products.
- **Return and refund policies:** Familiarise yourself with the seller's return and refund policies to understand your options in case the product is defective, damaged or not as described. If none is publicly available, you should be able to ask for the return and refund policies on the platform.

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