

COLUMNS

Amazon minus Birkenstock in 2017: Will others follow and did Birkenstock go far enough?

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As you may have heard, Birkenstock is leaving Amazon in 2017 as a direct result of a steep increase in the sale of fake Birkenstocks on Amazon.

Birkenstock has also reached out to its retail partners so that they, too, can sell the sandals elsewhere.

When I first heard the news and read the letter that Birkenstock wrote to its authorized resellers it is available on CNBC my initial reaction was that Birkenstock has not gone far enough.

Pull up straps

While I understand that Birkenstock wants to give its authorized resellers the best opportunity possible to prepare for this change an entire shopping season and it may have contracts that obligate it to continue to sell on Amazon through year's end, where is the consumer education?

I checked Birkenstock's own Web site when this announcement was made, periodically since then, and again just before writing this article, and nothing appears on Birkenstock's Web site. It is critical to begin educating consumers today.

At a minimum, Birkenstock should have a pop-up announcement on its Web site or a running ribbon at the top or bottom of the homepage advising its customers about its decision.

Also, it may be beneficial to include a message regarding 2017 in each shoebox, whether sold on Amazon, on Birkenstock's Web site or via a third-party reseller.

While the brand's Web site does include a store locator, as is customary, there is no online, authorized retailer list. Customers, both new and loyal, should be advised about who online is legally able to sell the brand.

Since Birkenstock repairs its shoes, it should also advise customers that if they bring a fake Birkenstock to be repaired, that it will be refused.

Birkenstock should note that some brands not only refuse to repair fakes but also confiscate them on-site.

With the fakes on Amazon being sold for only \$20 less than the suggested retail price, it is no wonder that

consumers are duped.

This is not a case where someone snagged a Hermes bracelet, often described by counterfeiters as "H Bracelets" for less than \$100, sometimes even less than \$10. This is a product that is reasonably discounted with a price in line with consumer expectations.

To make matters even more confusing for consumers, several counterfeiters use Amazon's fulfillment centers.

Unfortunately for consumers, Amazon mixes inventory from distributors, so authentic and inauthentic products reside together.

Without proper brand education, Birkenstock may lose customers during the upcoming holiday shopping season, as that \$20 discount lures buyers to the counterfeiters.

Courting issues

Designers, consumers and brands appear to be in a proverbial tug of war.

Fake goods are being sold on eBay, Amazon, Etsy and Alibaba, to name a few, but Alibaba and Amazon are making the most headlines.

Between Alibaba founder Jack Ma's statements that several counterfeit goods are better made and of better quality than their original counterparts, and Alibaba's small victory against Kering, the immediate horizon is a bit bleak.

Judge P. Kevin Castel of the Southern District of New York said that Kering brands "failed to allege the existence of a conspiracy" between New York Stock Exchange-listed Alibaba and its merchants.

In other words, even though Alibaba makes it easy for someone to search for "Guchi" instead of "Gucci" and although a search may direct customers to fraudsters, Alibaba is not conspiring with counterfeiters. This is unfortunate, as the opposite outcome would surely have lit a fire underneath online marketplaces.

FOR NOW, each brand must take it upon themselves to act as they see best for their purposes and to protect their brand's cache.

The operative word, of course, is act. The state of inaction in this case, as in many others, will only make matters worse.

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