

Brand Protection ROI Calculator: Measuring What Matters

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One organic enterprise customer can cover an entire brand protection program - the hard part is proving it on paper. Building the business case means converting enforcement activity into financial terms executives understand. The challenge isn't proving counterfeits exist, it's quantifying how much revenue protection recovers and whether that recovery beats the spend.

This framework gives you a CFO-friendly way to calculate brand protection ROI, track the right metrics, and compare cost models to see whether protection delivers measurable returns.

\$2T+

Annual counterfeit goods sold globally **Human-Verified**

Every takedown reviewed by a person **\$467B**

Global counterfeit and pirated goods trade (OECD, 2021) **Performance Partnership**

Legal enforcement costs covered by recovered assets

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How do you calculate brand protection ROI?

Brand protection ROI converts enforcement activity into regained sales, then subtracts program costs. Two steps.

Step 1: Calculate recovered revenue.

Recovered Revenue = Enforcement Volume × Substitution Rate × Average Sale Value

Enforcement Volume is the quantity or sales value of counterfeits removed in a period. Take down 1,000 fake items at an average counterfeit price of \$50 and your enforcement volume represents \$50,000 in diverted sales.

Substitution Rate (or lost-sale rate) is the fraction of counterfeit sales that would have been genuine purchases if the fake weren't available. It varies widely, typically 10% to 50%, depending on how much cheaper the counterfeit is and how customers behave.

Average Sale Value is the typical price of your legitimate product, or the value per incident.

Step 2: Calculate net ROI. Subtract all brand protection costs from recovered revenue:

Net ROI = Recovered Revenue - Total Protection Costs

ROI % = (Net ROI / Total Protection Costs) × 100%

A positive ROI means the spend paid for itself and generated additional value.

Worked example

A company removes 1,000 fake items averaging \$50 each: \$50,000 in counterfeit sales. If 40% of those would have been real purchases (a reasonable mid-range substitution rate), recovered revenue is $\$50,000 \times 0.40 = \$20,000$. If the program costs \$15,000, net ROI = \$5,000, a 33% return. Lower costs or a higher recovery rate, and ROI improves proportionally.

Conservative assumptions are critical

Use conservative estimates. If substitution is uncertain, use a lower rate rather than assuming every counterfeit sale would have converted. One leading marketplace enforcement platform analyzed conversion with counterfeits priced 20-45% cheaper and found roughly a 45.7% substitution rate applied to \$178,000 of counterfeit sales, yielding about \$81,000 in recovered revenue. Being conservative keeps the model credible with finance teams. If you're presenting to skeptical executives, show that even at pessimistic assumptions (10-20% substitution), the program still clears positive ROI.

Is brand protection worth the investment?

Yes, when the cost of counterfeiting and unauthorized resale is significant relative to the protection spend. The opportunity cost of doing nothing can be enormous.

The scale of the problem

OECD estimates global trade in counterfeit and pirated goods reached \$467 billion in 2021, about 2.3% of world imports. In the US alone, unauthorized Amazon sellers siphon over \$60 billion a year from legitimate brands. Rights-holder testing found 20 of 47 purchases from popular ecommerce sites were counterfeit – a 43% infringement rate.

Direct brand losses

Counterfeits cannibalize legitimate sales, but the damage runs deeper. **Trust erosion:** consumer surveys indicate 66% of people who buy a counterfeit lose trust in the brand, and 76% are less likely to buy from it again – a drag on future sales that rarely shows on a quarterly report. **Pricing pressure:** unauthorized sellers undercut legitimate pricing, forcing authorized distributors to drop margins to compete, and brand value deteriorates even when unit volume looks stable.

What the results look like

Brands that invest in systematic enforcement see real movement. A few illustrative scenarios:

Take a global automotive brand facing counterfeit listings across multiple platforms. Concentrating legal enforcement on the small share of high-impact sellers, and the foreign counterfeiters behind them, can drive a sharp drop in foreign counterfeit activity, with legal fees structured to come from recovered settlements rather than upfront cost.

Or a premium home goods brand watching its Buy Box share slip to unauthorized sellers. Where the cause is grey market leakage from a distribution partner, enforcement combined with channel restructuring can lift Buy Box capture substantially and recover a meaningful share of revenue lost to unauthorized pricing.

Or a specialty apparel brand hit by an organized counterfeit network across several platforms. [Schedule A litigation](#) can target the whole network in one action, recovering funds through settlements and asset freezes, and the deterrent effect typically keeps counterfeit listings down well after the court actions conclude.

Framing the business case

Position brand protection as risk management and profit protection. **Risk:** uncontrolled counterfeiting erodes margins over time, a threat external reports from OECD and the GAO both underscore. **Reward:** effective enforcement stops the bleed. Every counterfeit removed frees that sale for the legitimate brand, and if enforcement yields more in recovered sales than it costs, it's a net gain. Some costs of inaction are intangible but real: brand devaluation, legal exposure, and shifting competitive dynamics.

What metrics should you track?

Track both output metrics (activity completed) and outcome metrics (business impact).

Enforcement activity

Enforcement Volume: takedowns, listings removed, or sellers targeted in a period – your raw input. **Takedown Success Rate:** the percentage of flagged listings successfully removed (Axencis reports approximately 98% success across major platforms), which means fewer retries and more efficient use of resources. **Time-to-Action:** average days from detection to takedown. Cutting response time from 30 days to 5 is 25 fewer days of counterfeit revenue per incident.

Financial impact

Recovered Revenue: money recouped through settlements, asset seizures, or redirected sales. Brands using Schedule A litigation typically see average recoveries of roughly \$300,000 to \$400,000 per case. **Reduction in Active Infringers:** the percentage drop in unauthorized sellers after enforcement. **Inventory Leakage and Grey Market Exposure:** the share of sales coming from unsanctioned marketplaces or regions – controlling it reduces margin erosion.

Brand health

Customer Complaint Volume: fewer tickets about “defective” or “fake” products signal higher trust. **Brand Sentiment:** NPS or satisfaction trends in markets hit by counterfeits. **Repeat Purchase Rate:** a rise after enforcement suggests fakes were hurting loyalty. **Chargebacks and Returns:** refunds from customers who unknowingly bought fakes – reducing them saves money directly.

Cost

Total Protection Spend: for traditional models, software licenses, personnel, and legal fees; for performance models, success fees or a percentage of recoveries. Build a dashboard that ties enforcement effort to business outcomes. Report volume of infringing content removed, legal actions taken (cease-and-desist, lawsuits filed, subpoenas served), revenue at risk or preserved, and a cost-benefit ratio (aim above 1). Even imperfect metrics become valuable when tracked

consistently. The goal isn't a single perfect ROI figure, it's a defensible business case with concrete numbers and trends.

How does brand protection recover lost revenue?

Through several mechanisms.

Redirecting sales to legitimate channels

Remove a fake listing or stop an unauthorized seller and customers who'd have bought the fake turn to official sellers, or buy later at full price. That converts lost sales back into real revenue: fake units removed times the brand's sale value, adjusted by the substitution rate. This is the primary mechanism in the ROI formula above.

Legal settlements and damages

Trademark litigation and Schedule A actions generate direct recovery through judgments, settlements, and asset seizures. Many firms work on contingency, letting brands share in recovered funds without upfront legal cost. Under Schedule A, courts can freeze infringer assets and force compensation. In one example, over 102,000 fake storefronts were shut down and over \$83 million recovered for brands across seven years through this mechanism. Apple sued over counterfeit chargers sold through Amazon, seeking up to \$2 million in damages – showing brands can recoup losses through the courts while protecting consumer safety.

Deterring future losses

Successful enforcement sends a market signal. Brands that run targeted litigation see sustained drops in counterfeit activity, not just from the defendants sued but from the wider market noticing that enforcement is serious and well-funded. That prevents ongoing leaks rather than only recovering past losses.

Protecting reputation and pricing integrity

Preventing counterfeit saturation preserves trust and price integrity. Harder to quantify short term, but protecting brand equity sustains revenue and prevents the downward pricing spiral that sets in when fakes normalize low prices in customers' minds.

What recovery looks like in practice

For instance, a luxury goods brand losing its Buy Box to unauthorized sellers can use targeted marketplace enforcement to win back the majority of Buy Box share over a few months, recovering revenue otherwise lost to price competition.

Or a consumer packaged goods brand clearing a large network of counterfeit sellers through coordinated cross-platform enforcement, routing customers back to authorized channels and lifting brand-direct sales over the following year.

Amazon also continuously seizes counterfeit items at fulfillment centers before they reach customers. That isn't direct revenue recovery for an individual brand, but each prevented sale is an averted complaint and protected reputation. The two recovery modes, immediate marketplace cleanup and post-sale legal enforcement, both count in ROI: recovered funds from settlements, plus prevented future losses.

How do the cost models compare?

Brand protection services use different pricing models, each with distinct ROI implications.

Performance Partnership (contingent). The provider charges only if it recovers funds. No upfront fees; costs come from recovered assets as a percentage of settlements. Cash flow stays at zero until recoveries occur. The brand bears minimal risk – no recovery, no payment – and the provider carries the performance risk. ROI is straightforward: recovered revenue flows almost entirely to the brand minus the agreed fee.

Subscription or software license. A fixed monthly or annual fee for monitoring and enforcement tools. Recurring cost regardless of outcome, so the brand pays whether or not results land. ROI has to exceed fixed cost: if the software prevents \$100,000 in lost sales and costs \$30,000 a year, $ROI = (\$100,000 - \$30,000) / \$30,000 = 233\%$. Predictable budgeting, less alignment with outcomes.

Retainer plus legal fees. An upfront retainer plus hourly or per-action fees, common with law firms. Large bills can land regardless of result, so positive ROI is harder to show and legal enforcement often gets treated as a cost center for IP defense rather than a profit driver.

Model	Upfront cost	Risk to brand	ROI dynamics
Performance Partnership	None or minimal	Low – pay only on success	Brand keeps recovered revenue minus the fee. Recovery \$100K, fee 30%, brand nets \$70K. ROI grows with recovery.
Subscription / license	Monthly / annual fixed	Medium – paid regardless	ROI = recovered sales – fees. Prevented revenue must exceed fees.
Retainer / legal	High upfront + hourly	High – cost even with limited recovery	ROI = recovered sales – spend. Often a cost center; court damages can offset.

Simple ROI worksheet

Parameter	Best case	Likely case	Worst case
Counterfeit volume removed (\$)	\$500,000	\$300,000	\$100,000
Substitution rate (%)	80%	50%	20%
Recovered revenue	\$400,000	\$150,000	\$20,000
Cost – traditional (annual)	\$50,000	\$50,000	\$50,000
Cost – performance (from recovery)	\$0 upfront	\$0 upfront	\$0 upfront
Net to brand – traditional	\$350,000	\$100,000	-\$30,000
Net to brand – performance	\$400,000	\$150,000	\$20,000

Traditional cost here is a fixed \$50,000 annual fee; the performance fee (about 25%) comes from recovered revenue. In the best and likely cases, net gain is higher under the performance model. In the worst case, the traditional model loses money – \$50,000 spent to recover \$20,000 – while the performance model still nets \$20,000, because the brand pays nothing when recovery is minimal.

Should you invest in brand protection?

It comes down to three factors: the scale of counterfeit activity hitting your brand, the revenue at risk, and which cost model fits your risk tolerance. It makes financial sense when:

- **You can measure the activity.** Identify 100-200 unauthorized listings or sellers and you have quantifiable diverted revenue to model.
- **Recovered revenue exceeds program cost.** Even at a conservative 20% substitution rate, recovering \$100,000 against a \$50,000 program is positive ROI.
- **Your brand equity is at risk.** If complaints about counterfeits are rising, distributors are reporting pricing pressure, or reviews mention quality issues, the intangible damage may already exceed any program cost.
- **You're in a high-risk category.** Electronics, cosmetics, supplements, automotive parts, fashion, and licensed merchandise face disproportionate counterfeit activity.

Important:

When presenting ROI to executives, stay conservative and transparent. Use low substitution rates (10-20%) and note “even at 10% conversion, we break even.” Avoid double-counting recoveries (don't count legal damages as both recovered sales and recovered assets), document every assumption, and use takedown IDs or case codes to tie enforcement actions to recovered funds.

If the business case is positive, the next decision is the partner and cost model. Performance partnership models align provider incentives with your outcomes – the provider earns only when it recovers value for you, which lowers financial risk and simplifies ROI tracking. For more on what to look for, see our guide on [how to choose a brand protection partner](#).

Key takeaways

- **The formula is simple** – recovered revenue = enforcement volume × substitution rate × average sale value, minus program cost.
 - **Stay conservative** – use a 10-50% substitution rate; if it still clears costs at 10-20%, the case is solid.
 - **The opportunity cost is huge** – \$467B in global counterfeit trade, \$60B+ a year siphoned from US brands by unauthorized Amazon sellers.
 - **Track activity and outcomes** – takedowns and success rate, plus recovered revenue, infringer reduction, and brand-health metrics.
 - **Performance Partnership simplifies the ROI case** – zero upfront, fees from recovered assets, so cost is always proportional to results.
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Frequently asked questions

How do you calculate brand protection ROI?

ROI = (Enforcement Volume × Substitution Rate × Average Sale Value) – Total Protection Costs. Enforcement volume is the dollar value of counterfeits removed. Substitution rate (typically 10-50%) is the share of fake sales that would have been legitimate purchases. Average sale value is your product's typical price. Subtract all program costs for net ROI.

Is brand protection worth the investment?

Yes, when counterfeit activity is measurable and recovered revenue exceeds program costs. Brands on performance partnership models face minimal risk since costs come from recoveries. Conservative modeling shows positive ROI even at low substitution rates, alongside protected brand equity and customer trust.

What metrics should I track for brand protection?

Track enforcement volume, takedown success rate, time-to-action, recovered revenue from settlements or redirected sales, reduction in active infringers, customer complaint volume about fakes, brand sentiment, repeat purchase rate, and total protection cost. Build a dashboard that links enforcement activity to business outcomes.

How does brand protection recover lost revenue?

Through redirecting sales (removing fakes sends customers to legitimate channels), legal settlements and damages (lawsuits yield financial awards), deterring future losses (enforcement signals reduce repeat offenses), and protecting reputation (trust sustains sales). Recovery shows up via Schedule A litigation, Buy Box recapture on Amazon, and marketplace cleanup that converts unauthorized sales back to brand-direct revenue.

Should I invest in brand protection for my business?

Invest if you can identify measurable counterfeit activity, if potential recovered revenue exceeds program costs even on conservative assumptions, if your brand equity is at risk, or if you operate in a high-risk category like electronics, cosmetics, supplements, automotive, fashion, or licensed merchandise. Performance partnership models minimize financial risk since you pay only from actual recoveries.

Sources

- [U.S. Government Accountability Office - counterfeit goods in ecommerce](#)
 - [OECD - Mapping Global Trade in Fakes](#)
 - [Amazon Brand Protection Report](#)
 - [Amazon Brand Registry](#)
 - [Amazon Project Zero](#)
 - [Amazon Transparency](#)
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Want the real ROI number for your brand?

A risk assessment quantifies unauthorized seller activity across major platforms and estimates the revenue you have at stake, so the business case runs on your numbers, not a generic formula. Legal enforcement runs on the Performance Partnership model, with costs covered by recovered assets.

[Get a Risk Assessment](#)

About the author

Alex Zaika writes on brand protection, anti-counterfeiting, and marketplace enforcement for Axencis. Her work focuses on the practical side of protecting brands across global marketplaces, from proactive monitoring to legal recovery. For questions about brand protection strategy, [get in touch](#).

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