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Question # Duped to Death – How brands can survive the meteoric rise of dupe culture.

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Coles



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Executive Summary

Ongoing cost-of-living pressure and increasingly negative consumer sentiment towards the luxury market has seen a surge in the rise of 'dupes' or cheaper products that imitate those of the leading brands. Brands need to be highly aware that their trademark and the commercial viability of their products is under threat from others who have no qualms copying and marketing themselves as cheaper in price, but equal in quality. Nowhere has this been more pronounced than in the FMCG beauty sector where brands like MCo have grown into billion-dollar businesses by duping others. However, it isn't just beauty where dupe culture is a growing threat. Arguably, retailers like Aldi have successfully built their business model on replicating the look and feel of proprietary brands and other retailers have taken similar approaches through their private labels.

This essay recommends that brands employ four strategies to mitigate the risk of being duped and suffering sales and brand value erosion:

- 1) build strong retailer partnerships
- 2) offer customers the right value
- 3) offer unparalleled quality and innovation; and
- 4) better industry lobbying for the protection of trademarks

Whilst the threat of dupes is likely here to stay, improvements in the regulatory framework coupled with adopting these strategies can see brands avoid falling victim to being duped.

Introduction

The Oxford dictionary defines the word 'dupe' as to deceive or trick.¹ In today's era, dupe is no longer a dirty word. In its simplest form, dupe' (short for duplicate) means a cheaper replica of a luxury product.² Whilst the existence and marketing of cheaper alternative products to market leaders has long been the standard within a competitive marketplace, 'dupe culture' is different.

Dupes are blatant in their copying of a designer product, often replicating the ingredients and packaging to near identical standards. They aren't just offering a pink lipstick in a similar colour and efficacy to a market leading one, they offer identical packaging, shade and formula making it difficult to distinguish the original from the copy.

Consumers' attitude towards dupes is largely positive. Unlike the shame that has typically come with buying discounted items, consumers are actively seeking out dupes, predominantly through social media and proudly sharing their finds with friends, family and the internet at large.³

The rise of dupe culture within the beauty industry

Dupe culture has been on the rise since the 2010s, when websites like YouTube became places where people could provide independent reviews and help viewers find cheaper, quality alternatives. This type of content accelerated in creation and viewership with the rise of social media like Instagram and TikTok that are highly visual and whose audiences are predominantly Gen Z and Millennials.⁴ Appreciating what is unique about these consumers is key to understanding the rise of dupe culture.

One of the things that sets Gen Z consumers apart from older generations is that they place higher trust in influencers' advice and have low engagement in traditional marketing campaigns. There are over 1.5 million beauty influencers (or at least want to be influencers) and the industry is worth over \$21 billion globally.⁵ In the 1990s and 2000s, models or actresses were the faces of the large cosmetic brands. Whereas today, Gen Z feels connected with beauty influencers who create credibility and authenticity by showing how they use a product and what they like about it. This style of content is less polished, more relatable and creates a level of connection that feels more 'real' for the average viewer.⁶

¹ https://www.oed.com/dictionary/dupe_n1?tl=true

² <https://www.theguardian.com/media/article/2024/may/20/counterfeit-cool-high-end-brands-urged-embrace-dupe>

³ <https://www.esquire.com.au/style/what-is-a-dupe-rise-of-dupe-culture/>

⁴ <https://www.beautydirectory.com.au/news/influencers/the-most-powerful-beauty-influencers-revealed>

⁵ <https://www.cosmeticsdesign-europe.com/Article/2024/12/17/working-with-beauty-influencers-in-2025/>

⁶ <https://professionalbeauty.co.uk/gen-z-skincare-study-influencers-trends>

Secondly, dupe culture exists within an environment which is centered around a sense of virtual community. In this online community the sharing of knowledge is considered virtuous, and 'gatekeeping' information is discouraged.⁷ In this context, sharing the 'dupes' that you have found is seen as a benevolent act that positively contributes to the community.

Thirdly, and most importantly, dupe culture has thrived during a cost-of-living crisis. Economists have long referenced the "Lipstick Effect" where during economic downturns, consumers purchase small luxuries like a lipstick instead of expensive luxuries like a designer handbag.⁸ Whilst historically this has been true, Millennial and Gen Z consumers are pessimistic in outlook. These generations say that the cost-of-living crisis is their single biggest concern.⁹ 77% of Australian Gen Zs face money worries, with women disproportionately impacted.¹⁰ With women between 18 – 40, the primary consumer of the beauty industry, it's logical that they want cheaper alternatives.

The most famous example within Australia has been the meteoric rise of MCo Beauty which launched in 2020. MCo's entire business model is 'duping' category leaders, copying their packaging and formulations nearly identically. Within 5 years, MCo has become Australia's fastest-growing beauty brand and the largest in Woolworths and BIG W.¹¹ Its recent \$1billion valuation made headlines with expectations of international expansion this year. Whilst many adore their products, the brand is not without controversy, having twice settled lawsuits out of court for trademark infringement.¹²



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⁷ <https://www.refinery29.com/en-au/gatekeeping-perfume-fragrance>

⁸ <https://www.smh.com.au/business/companies/the-lipstick-effect-how-our-5-9-billion-beauty-splurge-became-a-necessity-20240805-p5jzlh.html>

⁹ <https://www.weforum.org/stories/2023/08/cost-of-living-crisis-affects-young-people/>

¹⁰ <https://www.9news.com.au/national/finder-young-australians-under-immense-financial-pressure-new-study-reveals/3690acf2-2ba3-4e66-8584-c1f8e6be7073>

¹¹ <https://mcobeauty.com/pages/about-mcobeauty>

¹² <https://www.afr.com/companies/retail/zero-to-1b-in-five-years-mco-deal-caps-meteoric-makeup-rise-20250130-p5l88t>

¹³ <https://www.missmakeup.com.au/post/affordable-mcobeauty-dupe-for-high-end-makeup-products>

There are emerging shifts in consumer sentiment towards the brand following its recent valuation. Given that it is no longer a small brand taking on the big, but a big brand blatantly copying others, many are questioning whether MCo's dupe strategy is at best unoriginal and at worst illegal.¹⁴

Is it a Private Label or a Dupe?

As the influence of social media grows and cost-of-living pressure remains, consumers will continue to seek out cheaper alternatives. This is well evidenced by the continuing marketshare growth of Aldi in Australia to over 10% and whose strategy of own label products is not entirely dissimilar to that of MCo's.¹⁵

It is estimated that Aldi's own label brands represent over 75% of their sales, compared to just 20% at the major supermarket retailers.¹⁶ Unlike Woolworths and Coles private labels which utilise consistent brand cues and colours (such as Woolworths Essentials or Coles Red Tab), Aldi's approach has been to replicate the category cues of the leading proprietary brand and leverage their credibility. As the discourse around 'dupes' has entered the mainstream, 'Aldi Dupes' have become popular with the "Aldi Mums" Facebook group having a staggering 358k members.¹⁷

Aldi's branding approach is controversial. They have successfully defended several legal claims in Australia, however recently lost a landmark trademark infringement case in the Federal Court. In November 2024, judgment was found in favour of Hampden Holdings, the owner of Baby Bellies infant food. The Court ruled that the packaging of the Aldi product was too similar to the Proprietary original (image on left) based on the font, imagery and colour used by Aldi (image on right) and could easily confuse customers.



Image: Federal Court of Australia in Hampden Holdings I.P. Pty Ltd v Aldi Foods Pty Ltd [2024] FCA 1452

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¹⁴ <https://www.abc.net.au/news/2024-07-02/mcobeauty-charlotte-tilbury-beauty-dupes-trademarks-lawsuits/104019774>

¹⁵ https://www.accc.gov.au/system/files/ALDI-Public_Redacted.pdf

¹⁶ <https://assets.kpmg.com/content/dam/kpmg/au/pdf/2022/cpg-private-label.pdf>

¹⁷ https://www.instagram.com/wholesavers/p/C5ExGO_h1mK/?img_index=1

¹⁸ <https://questlegal.com.au/the-legal-maze-of-copycat-products-navigating-dupes-and-protecting-your-brand/>

Whilst the judgment is recent and other large cases are yet to be tried; it will be an important test to understand the consequences for other brands in the Australian market.

The 4 Key Lessons for FMCG Brands – how to avoid being a dupe dummy.

There is no higher compliment than for a product to be duped. It cements its status as high quality and desirable. Despite the flattery, it is never beneficial for a brand's profitability to see customers buy a cheaper competitor. Smart brands that want to maintain relevance and ensure their long-term commercial success should employ strategies that make them harder to dupe. I propose that there are 4 strategies a brand should utilise.

1) Retailer partnerships are integral.

Picking the right retail partner and building strong relationships is critical. Retailers have limitations on their SKU count and are always seeking to minimise range duplication. Inherently, dupes are duplication and often devalue a category through price depreciation, going against the core principles of category management. Range duplication is particularly contentious with Coles recently making headlines for their simplification objectives.¹⁹ Dupes only become appealing for a Category Manager when the existing brands are not delivering on the sales, profit and customer value ambitions of the retailer.

Brands can limit the appeal of dupes through partnering to offer compelling commercial and customer plans. This can include first to market and exclusive ranges, compelling retail media and omnichannel activations. Creating a long-term and sustainable partnership for mutual growth and profitability is a key enabler for brands to stay relevant for retailers and stop them looking for growth elsewhere.

2) Offer Customers the right value and accessibility and recognise that this will evolve.

FrankBody is an Australian startup that launched in 2013 with a small budget but found instant success with its impactful social media campaigns. They launched in several retailers, including premium Australian beauty retailer Mecca and have expanded globally.²⁰ FrankBody's unique selling point is its range of body washes which are differentiated but premium in price, creating space for dupes to compete.

In 2024, Frank launched a cheaper sub-brand called 'Everyday By FrankBody' which offered a similar product but at a cheaper price and stocked in Coles and Priceline.²¹

¹⁹ <https://www.afr.com/companies/retail/coles-calls-in-bain-as-it-slashes-the-number-of-products-on-shelves-20250131-p5l8l8>

²⁰ <https://www.vogue.com.au/vogue-codes/news/frank-bodys-cofounder-on-how-coffee-and-resilience-built-a-global-beauty-brand/news-story/1287a272146b6001570f79bd9a85efb8>

²¹ <https://7news.com.au/best-picks/how-to-get-rid-of-body-acne-brand-behind-pimple-clearing-wash-launches-in-coles-gives-silky-smooth-skin-c-13643264>

This approach leveraged the credibility they had built in the previous decade whilst making their brand more accessible, particularly to Gen Zs who make up the majority of their customers. Picking retailers with a high number of distribution points meant they were able to unlock scale for the launch, ensuring commercial success. The very deliberate choice of retail partners for the different ranges has enabled Frank to protect its premium offer whilst engaging customers who might otherwise have been lost to cheaper competitors.



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Through acknowledging the cost-of-living pressure on their customer base, FrankBody was able to successfully diversify their product range, go-to-market approach and retailer partnerships to grow. The key learning for other brands is to understand what their customer value proposition is and how they can position themselves to maintain their premium credentials, whilst maximising their customers and distribution.

3) Offer unparalleled quality and innovation.

Dupes only succeed when they offer the same quality as the original. By offering a product that is unmatched either through recipe, packaging or format is the best way to ensure that competitors cannot replicate your product. Whilst this seems obvious, it sits at odds with the reality of many FMCG companies who have reduced R&D budgets to manage growing costs.²³ Compounding this, the long lead time on R&D, often driven by bureaucratic internal processes, can stymie the pace of development, creating the opportunity for more agile brands to move faster on trends. The opportunity is for FMCG companies to strike the balance between cost control, investment and pace into R&D to ensure their products remain unparalleled.

4) Stronger industry lobbying.

²² https://www.tiktok.com/@brookewarne_/video/7338313026644282632

²³ <https://www.mckinsey.com/industries/consumer-packaged-goods/our-insights/will-innovation-finally-add-up-for-consumer-goods-companies>

Industry groups play an important role in advocating for the interests of its members and they must challenge the growth of dupes to regulatory bodies and lawmakers. Without a unified approach, brands are left relying on a patchwork of trademark infringement cases which are difficult to prove and costly to prosecute.²⁴ That only two brands have successfully reached an out-of-court settlement with MCo Beauty, despite more than 50 mainstream products being duped, is evidence of how challenging the current regulatory framework is, even for global and well-resourced brands.²⁵

Stronger protection for IP would further benefit brands by enabling them to more confidently invest in R&D, knowing that the products they develop would be better protected and less likely to be successfully duped, further supporting the third strategy advocated for.

Conclusion

Whilst dupe culture has had a meteoric rise, its long-term prospects are far from certain. Emerging changes to the legal landscape which make it harder for brands to infringe on the trademarks of others will play an important role in limiting this practice. However, ongoing cost-of-living pressures, particularly for Gen Z's, will continue to create the right economic conditions for dupes to thrive.

Brands should be wary of their competitors and protect the equity that they built. There are four strategies that brands can employ to prevent being duped to death by 1) build strong retailer partnerships 2) offer customers the right value and accessibility; 3) offer unparalleled quality and 4) create stronger industry advocacy. Smart brands that employ these strategies can look forward to enjoying a long and prosperous future.

²⁴ <https://www.abc.net.au/news/2024-07-04/mcobeauty-explains-beauty-dupe-process-product-development/104052268>

²⁵ <https://skinsort.com/products/mcobeauty/dupes>