Introducing

collectID

Tech-enhanced Transparency

collectID

In today's luxury industry, transparency is critical for brands to build trust and credibility with consumers. By providing transparency throughout the supply chain, luxury brands can ensure that their products are genuine and produced in an environmentally and socially conscious way. collectID offers an extension of solutions that can support luxury brands in their endeavour of enhancing product and supply chain transparency for consumers.

ENSURING PRODUCT AUTHENTICITY

Firstly, the collectID technology enables tamper-proof verification of the authenticity of physical luxury goods through a combination of blockchain and IoT technology. collectID uses encrypted, smartphone-ready NFC tags that are linked with secure, immutable NFTs on the blockchain. This creates a digital twin for each physical item that is equipped with a unique NFC tag. By tapping the smartphone onto the integrated NFC tag in the product, the customer enters the digital world of the brand, allowing them to access additional information about the product.

One of the key benefits of collectID's technology is its robust security. In contrast to QR codes, which are vulnerable to counterfeiting, as their 2-D representation can be copied unlimited times without any security, dynamically encrypted NFC tags provide each product with a unique identity that cannot be duplicated. Moreover, each QR code is linked to a single, static HTML address, while NFC tags also enable applications to be launched on the smartphone. This allows for a broader scope of applications, such as digital ownership and secondary trading, as well as more personalization. With the longevity of luxury goods in mind, the long durability of NFC tags outperforms the application of a QR code, which might wear off over time and use. Lastly, there is a growing trend of malware being embedded into QR codes, known as "quishing".

Non-encrypted NFC tags are also vulnerable to counterfeiting, as they can be cloned and reused. In contrast, collectID's NFC tags are equipped with dynamic encryption, making it nearly impossible to create counterfeited items out of the ones that are equipped with our NFC tags. This level of security is the reason why credit card companies such as AMEX, Visa, Mastercard, etc. have made NFC technology part of the card's DNA and are the foundation for contactless payment.

By using the collectID technology, luxury brands can provide their customers with the assurance that they are purchasing authentic products, but there is more to that. While it may not be possible to eliminate the fraudulent sale of counterfeit goods completely, the collectID technology can prevent unintentional purchases of fake products, safeguarding the reputation of the brand and protecting consumers from potentially hazardous and criminal counterfeits. This level of control helps protect the brand's image and revenue. However, the establishment of a secure verification system can offer additional benefits to luxury brands beyond product authentication.
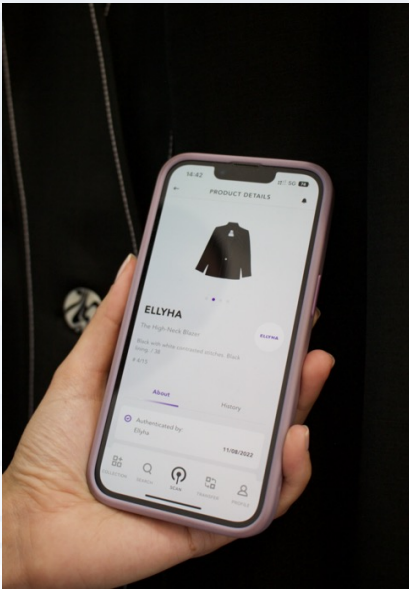
DIGITIZING PRODUCT INFORMATION

In the wake of ongoing political and regulatory discussions about transparency for consumer goods, digital product labels seem to be the inevitable future of providing customers with information about the products they purchase. Digital product labels provide several benefits over traditional paper labels. They can be easily updated in real-time, so manufacturers can provide the most up-to-date information to consumers. They can also provide more detailed information, including interactive content such as videos or animations. In addition to the mentioned benefits of digital product labels and the fact that many consumers are cutting off physical product labels from their products, brands are challenged to anticipate potential regulatory changes that would introduce new requirements to providing product information.

The collectID solution creates a digital product passport for every physical product. While the product's unique identity is stored immutably on the blockchain, the product information can be updated and enriched dynamically. To access product information such as material composition and care instructions, consumers simply tap the embedded NFC tag with their smartphone to find the most up-to-date information about their product. Especially in the luxury industry, where storytelling is an integral part of value creation, digital product passports represent a far superior opportunity for brands to enrich their physical products with digital content, thereby preserving the perceived emotional value over time and offering customers more immersive experiences.
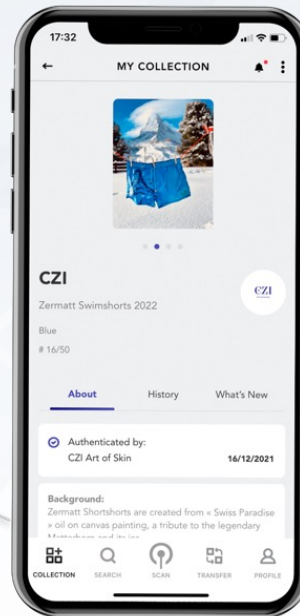
TACKLING THE SUSTAINABILITY CHALLENGE

Sustainability has become an increasingly pressing issue in the fashion and luxury industry. The industry is notorious for its fast-paced production cycles, high levels of waste, and heavy reliance on natural resources. This has led to significant environmental and social impacts, including pollution, resource depletion, and poor working conditions. As consumers become more environmentally conscious, they are demanding more sustainable products and practices from the brands they purchase from. Thus, brands are challenged to increase the transparency of their products and processes, as well as find innovative ways to promote more sustainable practices that expand beyond the sale of their products.

collectID has partnered with various sports clubs and luxury brands to promote eco-friendly materials and production processes. For example, the Swiss luxury brand Maison Mollerus provides customers with additional information about their recycled leather handbags and introduced a care and repair program through the collectID app. Another Swiss brand, CZI, shares meticulous care instructions to prolong the life cycle of their products. KangaROOS tells the story of its limited edition 'Environment Day' sneaker made from environmentally friendly materials and planted a tree on behalf of each sneaker sold. Kappa and Deportivo de La Coruña released a limited-edition, 100% ecological jersey that uses recycled materials sourced locally and manufactured ethically. JAKO introduced an incentive-based challenge for customers who registered their products, promoting sustainable practices.

Through collectID, these brands are able to provide customers with information on the origin of sustainable materials used in their products and their manufacturing process. Moreover, the immutable product history allows brands to highlight their supply chain partners and promote ethically conscious partnerships. The technology makes sure that this information is not lost but is closely tied to the physical product through its digital product passport. In addition, the collectID technology facilitates the resale of luxury goods in a secure and transparent way, making it a smart and sustainable choice for both consumers and the environment.
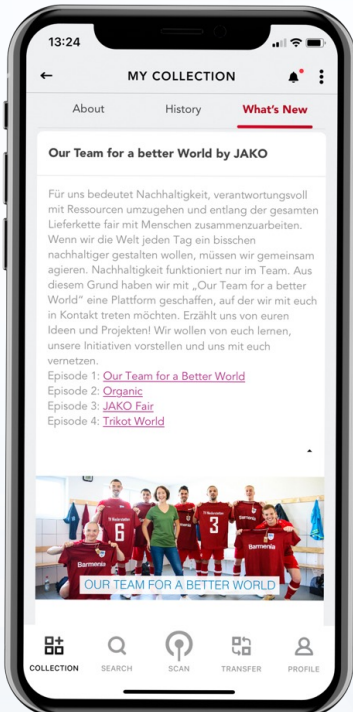
PROMOTING CUSTOMER ENGAGEMENT

In today's rapidly evolving digital landscape, customer engagement has become a critical challenge for fashion and luxury brands. In this highly competitive, global market, brands must work harder than ever to capture and maintain the attention of their target audience. Additionally, as consumers become more sophisticated and discerning, they are demanding personalized experiences and meaningful engagement from the brands they interact with. This has made it increasingly difficult for fashion and luxury brands to stand out and build lasting relationships with their customers. As a result, customer engagement has become a key challenge for fashion and luxury brands, requiring them to develop innovative strategies and technologies to create a more personalized and engaging customer experience.

The collectID ecosystem allows for the tracking of the immutable ownership history, providing luxury brands with extremely valuable insights into consumer behaviour and preferences. By accessing analytics on the ownership movement of their products, luxury brands can optimize their marketing and product development strategies to better meet customer needs and preferences. Moreover, it enables luxury brands to engage with customers in new and innovative ways. Through collectID, brands can provide additional product information, loyalty rewards, and facilitate secondary trading, which can increase the engagement of customers with their products to enhance brand loyalty and ultimately drive sales.

In other words, brands and their products not only become more transparent in the eyes of consumers, but brands also gain transparency about how customers engage with their products beyond the point of sale. This reciprocal transparency allows for more meaningful relationships between consumers and brands, facilitated through the phygital product.

REDUCING THE ENVIRONMENTAL IMPACT

Sustainability is a key priority for collectID, and we are committed to reducing our environmental impact while providing innovative solutions for brands. To further enhance our sustainability efforts, in February 2022, we completed the transition from Ethereum to Polygon blockchain. By using Polygon, we are able to achieve faster blockchain transaction processing and reduce our carbon footprint. Polygon is already carbon neutral by eliminating all the blockchain's carbon debt, and they are actively working on becoming carbon negative. This means that every transaction is accounted for, and its environmental impact is offset.

INTEGRATING COLLECTID NFC TAGS

The collectID NFC tags come in different shapes and forms, allowing frictionless integration in various product categories. Our tags are water- and heat-resistant to ensure long durability and to enable products to withstand at least 100 washing cycles. Further, the seamless integration into physical products ensures that quality and wearing comfort are not compromised. The collectID NFC tags can either be integrated during the manufacturing process or post-production, leaving brands with a high degree of flexibility regarding timing and application methods. Lastly, our API allows partners to lock customers into their own brand environment, ensuring complete control over the entire customer experience and the collected first-party data.

CONCLUSION

In summary, collectID offers a solution that enhances transparency for luxury brands by providing a secure and tamper-proof system for verifying product authenticity using blockchain and IoT technology. This ecosystem offers benefits beyond product authentication, such as providing customers with detailed information about the products they purchase, enabling luxury brands to gather extremely valuable first-party data to inform marketing strategies and prolong the enhanced customer experience. Additionally, the collectID technology enables luxury brands to engage with customers in new and innovative ways, offering loyalty rewards, facilitating resale, and strengthening the relationship between the brand and the customer. By working together, we can promote a more transparent future for all.

USEFUL LINKS

• collectID Success Stories

• collectID x Maison Mollerus