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COLUMNS

# End of season for counterfeiting: How the Internet of Things could safeguard brand integrity

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*Andy Hobsbawm is chief marketing officer of EVRYTHNG*

By Andy Hobsbawm



The global fashion industry is estimated to be worth $2.4 trillion. If it were a country, that would make it the world's seventh-largest national economy.

Luxury fashion alone is worth $249 billion (€224 billion). Any way you cut the numbers, it makes a lucrative market for copycats and counterfeiters.

In fact, fake products have been touted as the single biggest threat to the fashion industry, with more than $450 billion in lost sales annually, not to mention lasting damage to meticulously crafted brand reputations.

Counterfeiting is not just a concern for brands.

Fake take

For consumers, on top of worrying about the inferior quality of fakes, buying counterfeit goods supports criminal activity that can, as The National Fraud Intelligence Bureau reported, lead to job losses or even connect to organized trafficking of drugs, guns and people.

Thankfully, the ability of the Internet of Things (IoT) to bring connected intelligence to our apparel products has the power to curb the threat of counterfeiting in fashion.

IoT-enabled product authentication empowers brands to efficiently tackle brand protection challenges on an industrial scale.

Product inspection teams or other partners in the supply chain can directly authenticate products as they are made, shipped and sold, while also using real-time data created by consumers, digitally connecting to their products at point of sale and post-purchase.

This effectively "crowdsources" interaction data from consumers for brand protection applications.

Consumers can theoretically check whether or not their "designer" bag is the real thing or a fake, or connect with their product to register ownership or get personalized content and loyalty rewards, allowing brands to spot suspicious patterns in the real-time data that points to tags or codes being copied or tampered with, or products being sold out of region.

To authenticate a product, consumers just use their smartphone to scan or tap a digital trigger embedded in a label or tag.

The act of scanning relays real-time information about the location, time, and some aspects of usage of the product back to the brand, with this data being added to the profile attached to the product's unique digital identity stored in the cloud.

These digital identities allow brands to more accurately and seamlessly follow their products through their entire lifecycle, with customer smartphone scan data providing an invaluable source of product information in the historically hard-to-track post-sale period of a product's life.

With a clearer picture of when and where products are being used as well as sold, brands can more quickly and confidently detect tampering, counterfeiting and parallel trading, and crack down on fakes.

In turn, consumers can get assurance that what they are buying is the genuine article.

IoT in fashion

The same techniques used for product authentication can provide value to customers in many other ways, too.

Recently, up-and-coming New York menswear designer Rochambeau and women's luxury fashion brand Rebecca Minkoff have used unique digital product identities and smart tags to turn their products into brand-owned media channels, creating more direct

consumer experiences and digital relationships.

Emerging technology often relies on the fashion industry as a route to mainstream popularity: We have seen it with wearable devices in particular, which are increasingly wrapping functionality in "fashionability," while use of technologies from 3D printing to artificial intelligence (AI) is becoming an expected feature at couture shows.

As the boundaries between the physical and digital world continue to blur and converge, IoT and smart product technology specifically is set to play an increasingly central role in protecting the integrity and revenue of brands as their goods are made, shipped, sold (or re-sold) and used.

We are already well on our way to realizing the wardrobe of the future, in which every piece of apparel could be manufactured with a software identity connected to a cloud platform that stores and manages data throughout the entire product lifecycle, allowing brands to efficiently solve product authenticity and traceability challenges, while creating individualized consumer relationships on an industrial scale.

IoT-enabled smart product authentication has moved from the margins to mainstream for all consumer products, and combatting counterfeiting for luxury brands has evolved from aspiration to digital reality.

*Andy Hobsbawm is chief marketing officer of EVRYTHNG, New York. Reach him at andy@evrythng.com*