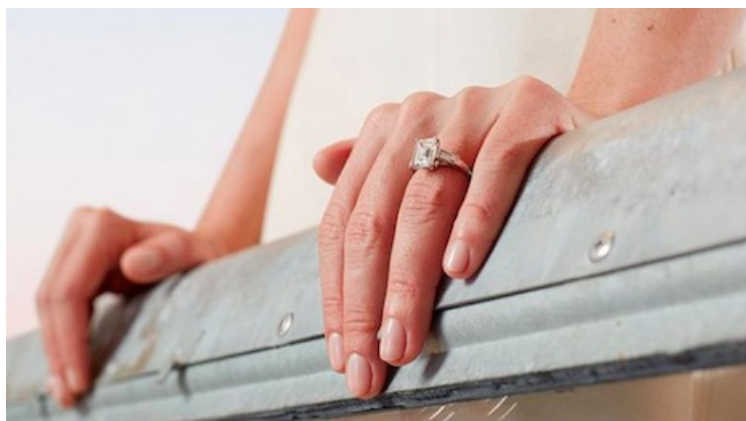


SOFTWARE AND TECHNOLOGY

Forward-thinking luxury brands need to integrate blockchain: Fashionbi

October 26, 2018



DeBeers is already piloting blockchain tools. Image credit: DeBeers

By SARAH RAMIREZ

Blockchain is poised to have a strong impact on the retail and fashion industries as more brands continue to adopt the tamperproof technology.

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Originally developed to verify transactions using digital currencies, blockchain is now being used for different applications across a number of industries. According to Fashionbi's new "[Blockchain in Fashion and Retail Industry](#)" report, large organizations can use blockchain technology to follow the entire product cycle, from production to even product usage.

"The blockchain is applicable in any industry, and fashion is no exception," said Yana Bushmeleva, chief operating officer at [Fashionbi](#), Milan. "However, compared to the other industries there are very few companies which decided to experiment with the blockchain.

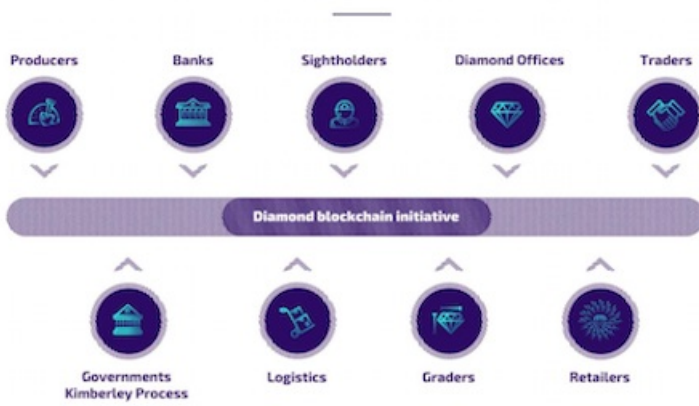
"In the fashion industry, the blockchain can be used on all the stages, raw materials, production, inventory, retail and even during the usage of the product by the final customer," she said.

Blocking the product cycle

Although blockchain functions as a decentralized database, permissioned blockchains offer extra security so users can handle supply chain management and other tasks.

Market research by the Journal of Accountancy found that blockchain could reach critical adoption by 2020 and achieve general acceptance from consumers by 2025.

Who is involved



Tracr tracks diamonds from mines to retailers. Image credit: Tracr

British jeweler DeBeers is among the luxury companies already piloting blockchain tools and plans to launch a diamond traceability platform.

Through Tracr, DeBeers will be able to track diamonds from the mine to the retailer. Each jewel receives a unique Global Diamond ID that notes its carat, clarity and color.

Tracr will eventually be accessible to the entire diamond industry.



Counterfeits sold through Alibaba have grown since the institution of the Anti-Counterfeiting Alliance. Image credit: Wikimedia

Ecommerce giant Alibaba has more blockchain patents than any other company in the world. Currently, Alibaba is focusing on preventing food fraud.

Outside of the retail industry, German automaker BMW is one of several automobile companies that launched the Mobility Open Blockchain Initiative to search for ways to improve transportation and accessibility.

Some blockchain providers are prioritizing creating solutions for luxury companies.

For instance, ChronoBase hopes to create a unified luxury watch market ecosystem to counter the growing black market by leveraging blockchain technology, while Luxochain will serve as an authentic database register for luxury goods and provide unique ownership certifications.

Authenticity valuation

While blockchain technology has so far most notably been used in fashion as part of the efforts to make this industry's supply chain more transparent and sustainable, its more viable uses are most likely yet to come.

The primary purpose of blockchain is to give high-end buyers confidence in their purchases.

Unlike serial numbers, QR codes, UPC codes or bar code systems, which all are easily cloned or copied, blockchain cannot be tampered with ([see story](#)).

Chinese ecommerce platform Secoo is looking to further the traceability of luxury goods through blockchain.

Secoo has used blockchain on specific luxury products on its platform. Each of these items is identified with anti-

counterfeiting information, which is stored on blockchain.

Through Secoo's mobile application, consumers can look up products to view information about them, creating traceability for merchandise ([see story](#)).

"The blockchain concept is about the transparency and security of information and data, a digital public ledger of records," Ms. Bushmeleva said. "And the authenticity of the records can be verified by the entire community using the blockchain instead of a single centralized authority.

"The blockchain can help to identify the authenticity of the product if we speak about luxury goods and also can give information about the previous owners if we speak about art or other high-valued objects," she said.

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