

WHAT CAN **BURBERRY** DO TO MAKE HISTORY?

A proposal by
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WHAT ARE MAJOR ISSUES CURRENTLY FACING THE FASHION INDUSTRY?

- The Guaranteed Authenticity of Products

- In a world where much more clothing is bought 'second hand' or through third party outlets it becomes difficult to ensure product authenticity
- In a study conducted by an independent research group called Ghost Data, it was concluded that about 20% of fashion items advertised on social media were fake which reach an audience of at least 20 million people
- Burberry currently has some measures in place:
 - Metal or Leather tags in their bags matching the outside hardware engraved with 'Burberry – London' in their signature font
 - Coats with string tags that can't be removed without damaging the item making them difficult to replicate
- It is impossible however to prevent the replication of any of these items to a high standard or prevent the resale of unauthorized excess stock



WHAT ARE MAJOR ISSUES CURRENTLY FACING THE FASHION INDUSTRY?

- Sustainability of production

- The balance between ethically sourcing materials and affordability is difficult
- Companies like Boohoo and Shein abuse this affordability to create fast fashion to keep up with ever changing trends. However, their clothes aren't designed to last and condone sweatshop environments paying workers salaries of around \$556 a month*
- Burberry's focuses on sustainability through longevity of their products as well as through current repurposing and recycling initiatives
- Burberry also wants to move towards a circular business model

SO, WHAT'S THE ANSWER TO THESE PROBLEMS?

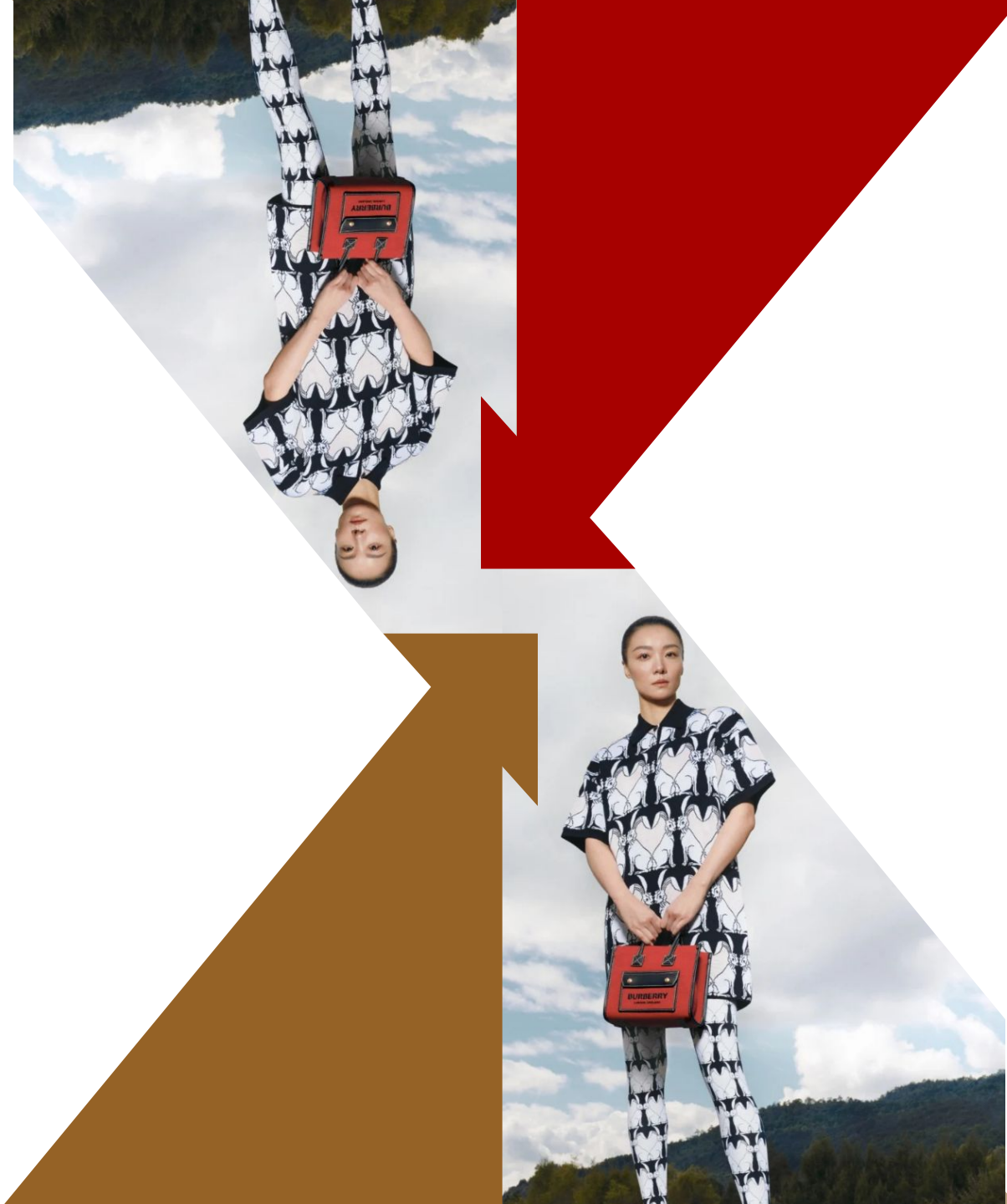
MY SOLUTION

- **An NFC based system within Burberry products tying the physical item to an NFT in the blockchain**
 - They are 'non fungible' meaning each item is truly unique and cannot be copied
 - It would be a unique identifier preventing any form of counterfeit (Basically a proof of ownership and authenticity certificate)
 - The Binance Smart Chain would be an effective choice due to its lower cost compared to Ethereum and its high scalability
 - Continues to enable Burberry's entry into the metaverse
- **Use of the NFC tags to allow for clear traceability of the product**
 - NFCs are robust and more forgery proof than your average clothing label
 - Could create an online portal to track each stage of production where it can be recorded using a blockchain algorithm therefore allowing tracing of the manufacturing process
 - Calculate and store the sustainability metrics of production
 - Allow each new owner to add themselves to the blockchain creating ownership history for the item and complete transparency



INCORPORATING DATA SCIENCE

- **Using Sustainability metrics to generate a score for all Burberry products**
 - This could be done by assigning a weighting to each sustainability metric (e.g. energy consumption, waste generation) and then combining them to create a final sustainability score out of 100
 - Using 'K-means' clustering to find high performing, medium performing and low performing products giving Burberry a visual representation of which products are sustainable and which ones aren't
 - Possible to also use the clustering results to identify the main drivers in the differences between sustainability scores, by analyzing the characteristics of products in each cluster (e.g. materials used, production location etc.)



FEASIBILITY

- **What NFC chip would be used?**

- SIC43S1 made by Silicon craft uses advanced encryption technology to prevent data spoofing.
- A rolling code is generated each time the chip operates, this then enables it to use repeated code to verify the authenticity of the product
- Estimate a cost of about £0.25-0.40 per unit
- There are cheaper options and more research into which is the best fit for an initiative like this would be needed

- **How would it be implemented?**

- Different chips would work better for different products. A t-shirt would need a virtually flat NFC more like a sticker than an actual chip.
- It would take some time to roll out the initiative within the company given that there are many countries involved in production of different items
- May effect price points and profits depending on cost of chips as well as minting of NFTs so fine details would need to be researched to make it feasible
- I'd suggest a capsule being released using this technology to test out how well it works and discover the benefits it would bring being incorporated into the rest of the brand



HOW DOES THIS ALIGN WITH BURBERRY'S VALUES AND GOALS?

Creatively driven

Takes an out the box approach to solving a common issue within the industry

Open and Caring

Considers the sustainability of production to help guide the company to be more ethically and environmentally responsible

Proud of our heritage

Being proud of the company and wanting to maintain its integrity through prevention of counterfeit

Forward Thinking

Using cutting edge and trending technology to approach the problems at hand



THANK YOU

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