

Extract from ORIGINALLUXURY Technology For Transparency 2nd Edition, March 2024



formerly COIIECTID













DISCLAIMER: The content of this document and its associated documents is the sole responsibility of the company they are referring to and do not necessarily reflect the views of ORIGINALLUXURY and its members. This content does not constitute and cannot be relied upon as legal advice of any sort and cannot be considered an exhaustive review of legal or regulatory compliance.



TECH-ENHANCED TRANSPARENCY

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. With its Product Cloud Platform (PCP), ZATAP offers an extension of solutions supporting luxury brands in their endeavor to enhance product and supply chain transparency for consumers via a Digital Product Passport (DPP).

THE PRODUCT CLOUD PLATFORM

The ZATAP Product Cloud Platform is a phygital ecosystem, in which each physical product is equipped with a digital twin based on a unique physical identifier. By doing so, physical products come to life as they are enriched digitally with information, content, and exclusive experiences. With a simple smartphone tap, consumers unlock the digital twin conveniently and establish a direct connection to their favorite brands through the products they own.

"As each of our physical pieces showcases a unique serial number, our customers are very excited to discover which piece they own out of the produced serialized number. Their overall feedback is very positive and they are curious to further discover the perks of owning a phygital product."

Elissa Lefoll, Founder of ELLYHA

The PCP encompasses a wide array of solutions in regards to hardware and front end, depending on a brand's requirements and the pursued goals. It acts as a seamless bridge between the physical and digital worlds, ensuring trust, authenticity, and an elevated and prolonged customer experience. Our physical identifiers include dynamically-encrypted NFC tags for top-notch security, as well as non-encrypted NFC tags and QR codes for economic convenience. To cater to our customers' specific needs, we provide a variety of front-end options, such as the out-of-the-box ZATAP app, mono-branded web apps, and integrations into customer apps via API. Through the PCP, brands gain access to invaluable first-party data and insights regarding customers' product interactions. Lastly, the Content Management System (CMS) allows partners to curate and modify their product's content and messaging dynamically.

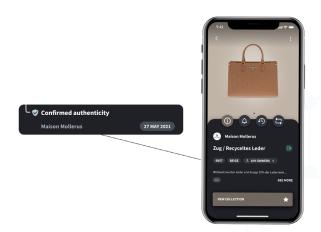
The following sections outline how the PCP ensures product authenticity, fosters transparency through digitized product information, and creates awareness and customer engagement for more sustainable industry practices.

ENSURING PRODUCT AUTHENTICITY

Firstly, the ZATAP technology enables tamper-proof verification of the authenticity of physical luxury goods through a combination of blockchain and IoT technology. This is achieved through the integration of dynamically-encrypted, smartphone-ready NFC tags that are associated with secure, immutable NFTs on the blockchain. Each physical item is equipped with a unique NFC tag, creating a unique digital twin. To check a product's authenticity, users simply tap the product with their smartphone to seamlessly access the proof of authenticity that is issued by the manufacturing brand and stored immutably on the blockchain. Importantly, neither an app nor any technical know-how are required from the user.



Dynamically-encrypted NFC tags offer superior security and flexibility compared to non-encrypted NFC tags and QR codes. They enhance security through encryption, resist cloning and replay attacks, allow for remote management and multi-functionality, and protect user privacy. Additionally, these tags can safeguard against eavesdropping and ensure data integrity. Their advantages make them suitable for applications demanding robust security and versatile functionality, as is the case for the luxury industry.



By using ZATAP's Product Cloud Platform, 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 ZATAP PCP 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 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.





With the ZATAP solution, a Digital Product Passport is created 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 and socially 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.

ZATAP has partnered with several luxury brands and sports clubs to promote eco-friendly materials and production processes. Most recently, ELLYHA, a high-end ready-to-wear brand born in Switzerland, introduced digital product passports powered by ZATAP. Each item of its new collection comes with a DPP, where customers can access product-specific information, such as the material composition, its origin, and its supply chain. In addition, customers learn about ELLYHA's commitment to sustainability, which incorporates the repurposing of leftover materials from the LVMH group, pre-order-based manufacturing, and short and transparent supply chains. Further, customers are provided with meticulous care instructions and a repair program to extend the lives of their products.

"Our second drop, powered by collectID, is a step toward a more sustainable fashion future. By allowing customers to access the journey of their garments through the Digital Product Passport, we're promoting conscious consumerism and enabling a deeper connection between consumers and the fashion they wear. We want to empower individuals with knowledge about their clothing and inspire a sense of responsibility in the fashion choices they make."

Elissa Lefoll, Founder of ELLYHA

Other examples include the Swiss luxury brand Maison Mollerus, which grants customers a behind-the-scenes look at the manufacturing of their recycled leather handbags, and the Swiss brand, CZI, which shares meticulous care instructions to prolong the life cycle of their art-infused swimwear. KangaROOS uses the DPP to tell 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 eco-conscious jersey that uses 100% recycled materials sourced locally and manufactured ethically. Lastly, JAKO introduced an incentive-based challenge for customers who registered their products, promoting sustainable practices.

Through ZATAP, 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 ensures that such information is not lost but is closely tied to the physical product through its Digital Product Passport. In addition, the ZATAP 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.

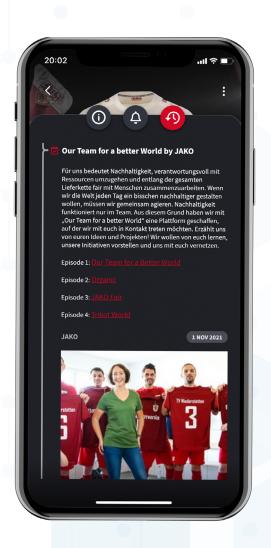
PROMOTING CUSTOMER ENGAGEMENT

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 ZATAP PCP is the gateway to increased customer engagement, as its connected products empower customers to engage more profoundly with the brands that create them. Importantly, this engagement is measurable and grants participating brands insights into how customers interact with their products. For example, the tamper-proof digital twin allows for secure, peer-to-peer trading on the secondary market. Brands can thus track the immutable ownership history and eventually even earn a commission from every trade of their phygital products.

Further, the PCP enables luxury brands to engage with customers in new and innovative ways such as offering personalized loyalty rewards and access to exclusive content and experiences, which will ultimately boost customer retention, drive sales, and unlock new revenue streams. As an example, registered owners of an ELLYHA piece were offered early access to pre-order the next highly limited collection before the general public.

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 ZATAP, 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 of 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 ZATAP 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 ZATAP NFC tags can either be integrated during the manufacturing process or post-production, leaving brands with a high degree of flexibility in regard to 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, ZATAP's Product Cloud Platform offers a seamless bridge between the physical and digital realms, enhancing transparency for luxury brands by providing a secure and tamper-proof system for verifying product authenticity through blockchain and IoT technology. This holistic ecosystem extends far beyond product authentication, empowering customers with comprehensive product information and enabling luxury brands to get to know and engage their customers while harnessing valuable first-party data for informed marketing strategies and elevated customer experiences. Moreover, the PCP paves the way for luxury brands to foster novel and innovative customer interactions, from loyalty rewards to facilitating resale, thus strengthening the brand-customer relationship. By uniting our efforts, we can collectively advance towards a more transparent future for all.

USEFUL LINKS

- ZATAP Success Stories
- ZATAP x Maison Mollerus
- Swiss Fashion Brand ELLYHA Partners with ZATAP for Second Drop
- 3 Revolutionary Reasons Why ELLYHA is Changing Swiss Fashion

CONTACT DETAILS

collectID AG, Neumarkt 11, 8400 Winterthur, Switzerland info@zatap.io | LinkedIn



USE CASES: LUXURY AND FASHION

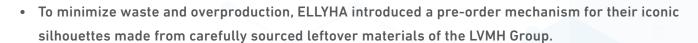
In the pursuit of enhancing transparency and authenticity in the luxury sector, we are thrilled to present three illuminating use cases that showcase how the ZATAP Product Cloud Platform has revolutionized the customer experiences of leading brands. These cases exemplify the transformative power of technology, forging seamless connections between the physical and digital worlds. Join us as we delve into the stories of ELLYHA, Hugo Boss, and Maison Mollerus, as they leverage our solutions to deliver groundbreaking experiences for their customers.

1. ELLYHA: TRANSFORMING FASHION WITH TRANSPARENCY AND INNOVATION

In partnership with ZATAP, ELLYHA, a Swiss high-end ready-to-wear brand, is revolutionizing the fashion industry through innovation and a commitment to sustainability. Their latest venture, DROP 02, represents a pivotal step towards enhanced transparency. This use case delves into ELLYHA's initiatives and the transformative power of their collaboration with ZATAP.

RELEASE INFORMATION

- DROP 02 features a curated selection of six sustainable pieces, each equipped with a serialized Digital Product Passport and a unique identity.
- The DPP provides information on the origin of the repurposed garments and their journey across the short supply chain.



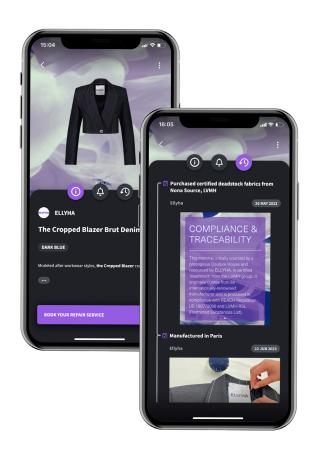
PROJECT GOALS

- With the DPP, ELLYHA wants to provide customers with a transparent view of their supply chain, from material sourcing to production facilities.
- The introduction of a Digital Product Passport aligns perfectly with ELLYHA's mission to differentiate itself from the competition by promoting conscious consumerism.



USER JOURNEY AND CUSTOMER BENEFITS

- ELLYHA empowers customers with a transparent supply chain, shedding light on material sourcing and production locations.
- Detailed information about material composition and origin allows customers to make informed choices.
- ELLYHA offers a repair service, fostering product longevity and encouraging customers to invest in sustainable fashion.
- By providing care instructions, ELLYHA helps customers maintain product quality and extend the lifespan of their garments.
- Owners of previous collections enjoy early access and discounts for pre-orders, strengthening customer loyalty.



PROJECT RECAP AND BRAND BENEFITS

- ELLYHA gains a direct channel to communicate with customers, fostering customer-brand relationships and driving sales.
- The brand's differentiation through innovation and sustainability positions ELLYHA as a responsible and forward-thinking brand, building a unique reputation.
- ELLYHA takes on a pioneering role in contributing to the development of digital product passports, thereby anticipating upcoming EU legislation.

"Our second drop, powered by ZATAP, is a step toward a more sustainable fashion future. By allowing customers to access the journey of their garments through the Digital Product Passport, we're promoting conscious consumerism and enabling a deeper connection between consumers and the fashion they wear. We want to empower individuals with knowledge about their clothing and inspire a sense of responsibility in the fashion choices they make."

Elissa Lefoll, Founder of ELLYHA

This collaboration between ELLYHA and ZATAP propels the brand towards a more sustainable and transparent future, enriching the customer experience and strengthening its commitment to environmental responsibility.



2. HUGO BOSS X IMAGINARY ONES: CONNECTING PHYSICAL AND DIGITAL

In the ever-evolving world of premium and luxury fashion, authenticity stands as a non-negotiable cornerstone. Hugo Boss recognizes the paramount significance of authenticity and provides its customers with a groundbreaking method to ensure the integrity of their products. This transformation was ignited through a pioneering collaboration between Hugo Boss and Imaginary Ones, facilitated by our cutting-edge technology. The result is an unprecedented gateway, bridging physical products with the digital realm while placing authenticity at its core.



RELEASE INFORMATION

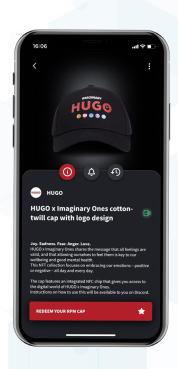
- In the vein of the collaboration between Hugo Boss and the NFT studio Imaginary Ones, a highly limited phygital cap was released.
- The cap was made exclusively available to holders of the HUGO x Imaginary Ones NFT, adding a layer
 of exclusivity and uniqueness to the product.
- Through ZATAP's Product Cloud Platform, owners could verify the authenticity of their cap and unlock a digital wearable with additional perks.

PROJECT GOALS

- The cornerstone of the project is the creation of an immutable proof of authenticity stored on the blockchain.
- The project sought to create a seamless connection between physical caps and their digital twins, unlocking a myriad of possibilities for customers.

USER JOURNEY AND CUSTOMER BENEFITS

- Customers tap their cap to receive irrefutable proof of authenticity.
- The unique ID allowed customers to unlock their digital twin on the Ready Player Me platform to then wear it in various virtual environments.
- Unique redemption codes ensured that only customers with physical access to the cap could redeem the digital wearable, providing a secure and exclusive experience.
- Customers were restricted to redeeming the digital wearable only once, safeguarding the exclusivity of the product and discouraging sharing of access.





PROJECT RECAP AND BRAND BENEFITS

- The Imaginary Ones community expressed overwhelming enthusiasm for the innovative experience, lauding the fusion of physical and digital realms.
- The project strengthened Hugo Boss' ability to protect its brand against counterfeiting, ensuring the authenticity of its products.
- By offering a digital extension of the physical product, Hugo Boss prolonged the customer journey into the digital realm, creating increased engagement and laying the foundation for new revenue streams.
- The innovative approach elevated the overall customer experience, aligning with Hugo Boss's commitment to innovation and authenticity.

This collaboration between Hugo Boss, Imaginary Ones, and ZATAP marks a transformative step toward a more authentic and immersive future, where luxury fashion and innovation merge seamlessly.

3. MAISON MOLLERUS: PIONEERING SUSTAINABILITY AND AUTHENTICITY IN HANDBAGS

Maison Mollerus, renowned for its exquisite handbags and leather goods, is leading a sustainable fashion movement in partnership with ZATAP. In this use case, we delve into Maison Mollerus' project, presenting a collection of handbags crafted from recycled leather and the introduction of the brand's first iteration of a Digital Product Passport.

RELEASE INFORMATION

- Maison Mollerus unveiled a collection featuring four distinct models of handbags, each meticulously crafted from recycled leather.
- Each of the recycled handbags is equipped with a digital twin that tells the story of the eco-friendly production process.



PROJECT GOALS

- Maison Mollerus wanted to create awareness for recycled leather products and grant customers a behind-the-scenes look into their production facilities
- With the ZATAP Product Cloud Platform, Maison Mollerus wants to provide customers with immutable proof of authenticity for their handbags.
- Especially because of its diverse target audience, reaching from young to old, Maison Mollerus wanted to get to know its customers and establish a direct relationship with them.

USERS JOURNEY AND CUSTOMER BENEFITS

- With a simple smartphone tap, customers access the bag's proof of authenticity.
- The digital twin guided handbag owners through the innovative manufacturing process around the recycled leather handbags, fostering appreciation and trust for sustainable practices.
- Maison Mollerus rewards customer loyalty by offering those, who unlock their digital twin, an exclusive discount for their next purchase.
- Customers could utilize their proof of authenticity to trade their handbags on the secondary market, promoting circularity and sustaining value.



PROJECT RECAP AND BRAND BENEFITS

- By using recycled leather and innovative manufacturing, Maison Mollerus promoted a more sustainable and environmentally responsible production process.
- The Product Cloud Platform allowed Maison Mollerus to establish a direct communication and sales channel with customers, building stronger customer-brand relationships.
- Maison Mollerus set itself apart from the competition by being an early adopter of NFC technology for product authentication and promoting sustainable manufacturing processes.
- The project laid the groundwork for secure and autonomous peer-to-peer secondary trading, offering added value to customers and the brand.

This collaboration between Maison Mollerus and ZATAP exemplifies their commitment to sustainability, authenticity, and innovation, enhancing customer experiences while laying the foundation for change in the fashion industry.

USEFUL LINKS

- ZATAP Success Stories
- ZATAP x Maison Mollerus
- Swiss Fashion Brand ELLYHA Partners with ZATAP for Second Drop
- 3 Revolutionary Reasons Why ELLYHA is Changing Swiss Fashion

CONTACT DETAILS

collectID AG, Neumarkt 11, 8400 Winterthur, Switzerland info@zatap.io | LinkedIn





Pioneering Transparency Through Technology in the Luxury Sector