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How Ralph Lauren's Product Digitization Partner Creates Circularity and Consumer Trust

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The fashion industry has reached an inflection point. What will happen now? Will it continue with the savvy strategies developed to persevere during Covid? Or revert back to its old ways? Get the experts' perspective at our in-person Sourcing Summit, Oct. 19 at New York's Cipriani 42nd Street.

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Just last year, [33 million Americans](#) bought used for the first time, according to ThredUp's annual report. By 2025, [resale](#) is expected to grow 11 times faster than the broader retail sector. Just in the past week and a half, New Balance and H&M Canada [have each announced](#) secondhand initiatives.

But, according to research conducted by the World Economic Forum, [Ralph Lauren](#), [Evrythng](#) and Bain & Co. earlier this year, resale's road ahead may not be all sunshine and roses. In a survey of U.S.-based [Ralph Lauren](#) customers, nearly 90 percent said they worry about authenticity in resale marketplaces.

There are ways to bridge this trust gap—Ralph Lauren has been [rolling one out](#) since November 2019. Since launching Digital Product Identities (IDs), the New York-based fashion empire has expanded the tool across its supply chain. Today, more than 130 factories are part of the program and more than a million products are activated per week, Jason Berns, senior vice president, product and manufacturing innovation, Ralph Lauren, said.

“We launched digital product IDs to link our physical product with the digital world in order to power product authentication, further digitize our supply chain operations, deliver an enhanced consumer experience and enable a platform upon which to build future services and experiences,” Berns said.

Built on an “agile” platform, the IDs allow for Ralph Lauren to add and scale new features and capabilities over time, Berns noted, “such as facilitating the reuse, resale and recycling of our products to enable a more circular lifecycle.”

Keith Turco, president of [Evrythng](#), the connected Internet of Things (IoT) platform Ralph Lauren partnered with, said trust matters “immensely” when reselling higher-end items. And while he acknowledged consumers aren't as concerned with authenticity for lower-end products, Turco said shoppers “increasingly” demonstrate a desire “for even average-price goods to be authenticated.”

“It matters from a trust-based perspective,” Turco said. “It matters both for the secondary-market platform—the [Poshmarks](#), [RealReals](#), [Depops](#), [Vestiaires](#), all those brands—but it also matters for the ultimate end brand. They want to ensure that consumers trust that if a product has their brand on it, that it is authentic, [it is real](#) and it is worth paying the premium price for it because it's manufactured in a much more expensive way, so to speak.”

But even beyond authentication, digitization offers other key opportunities for brands to facilitate [circularity](#) and sustainable practices. By creating digital product twins, businesses can track their products through the supply chain and improve efficiencies, Turco said. When the item goes on sale, this data can then be presented to consumers via a scannable code on the product, allowing brands that go the extra mile during production to communicate that information in-store.

“Demonstrating that they are playing in the circular economy, sustainability space will give brands not just better perception and brand recognition in the marketplace, but also help reduce their expenses and carbon offsets and those kinds of things,” Turco said.

Authentication also opens the door for brands to potentially [monetize resale](#). Using blockchain, companies can code an ID such that they receive a certain amount of money every time it is sold in the future. Though such a use case would appear to offer the [Nikes](#) of the world a chance to cash in on the [resale](#) market, Turco framed these hypothetical fees as a way for brands to recuperate the money they've invested in authentication.

"I'm guessing they're probably saving the [resale] platform some money because they're [authenticating] instead of the platform having to do it," Turco said. "It's a win for the brand, it's probably a savings for the secondary market platform and it's a win for the consumer because they know they're buying an authentic and recycled good."

For now, though, Evrythng has yet to roll out such a tool itself. "They're being discussed, as we move from proof of concept to pilot," he said.

Looking further ahead—and at the future of authentication more broadly—Turco envisions a future where every item, down to the SKU level, is trackable and traceable similar to how every car has its own vehicle identification number. And while he sees "endless" potential use cases, he specifically highlighted the benefit that brands could derive from giving the consumer information as simple as proper end-of-life instructions.

"There are definitely goods that are out there that have special requirements from a recycling perspective," Turco said. "There are other goods that are just standard recycling things. But all of them make a big difference, obviously, in the footprint that we're putting out there in the world."

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