

# FASHION MEETS BLOCKCHAIN

Timothy Parent

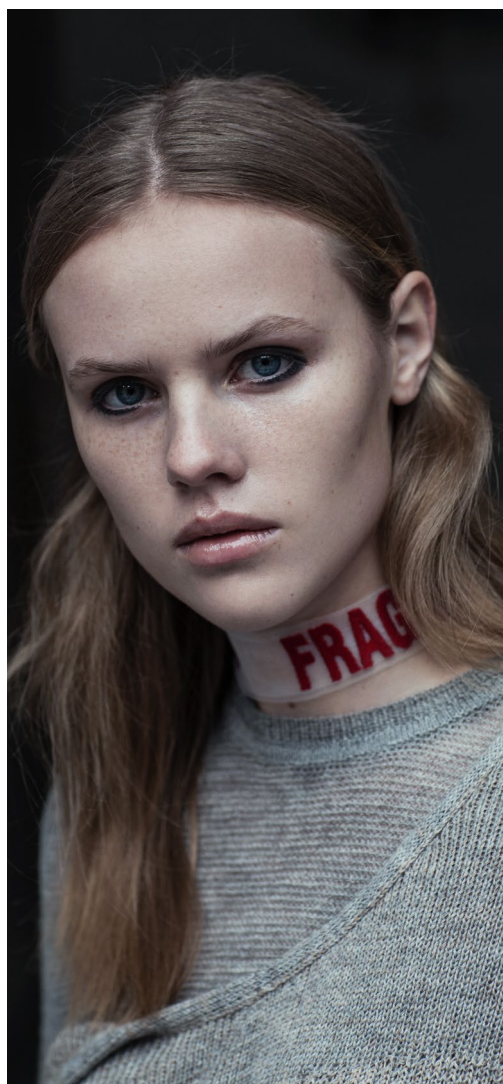
HOW CAN THE MOST TALKED-ABOUT TECHNOLOGY BENEFIT FASHION BUSINESSES?

**WeAr** INVESTIGATES

Over the last few years, 'blockchain' has been a buzzword, but few understand what it actually means. A blockchain is a continuously growing list of records, or information blocks, which are created and verified by multiple parties (as opposed to a central network), linked and secured through cryptography. Each block contains a cryptographic hash of the previous block and transaction data. Once recorded, the data in any given block cannot be altered retroactively without the alteration of all subsequent blocks. This makes blockchains resistant to modification of the data and thus reliable sources of information.

Why does it matter to fashion? Cryptocurrencies, blockchains' most famous offspring, are already being used by some online retailers, such as **Overstock.com**, **Lanieri** and **Aditus**. But there are more fundamental ways in which blockchain technology can reshape the industry: smart contracts, authentication and transparency.

A smart contract is a computer protocol intended to digitally facilitate the negotiation of a contract. It makes it possible to validate both sides' solvency and capacity to fulfil their obligations through checking various sets of data related to their financial standing, production practices, and so on. This could be useful for independent designers and retailers alike; if smart contracts are implemented, companies no longer have to worry about receiving payments or deliveries. The tech can be integrated across an entire supply chain.



Martine Jarlgaard – Photo by Marco van Rijt

Blockchains' authentication potential is especially relevant for consumers and retailers concerned about counterfeiting. Thus, designer label **Babyghost** teamed up with a blockchain project called **VeChain** to enable users to verify the authenticity of each piece by scanning a QR code. This aspect of blockchain is gaining traction in China where consumer confidence is crucial for sales.

But the greatest potential for blockchain technologies in fashion lies in their ability to render the production process transparent – a crucial feature for Gen Z and millennial consumers. Designer **Martine Jarlgaard** made use of it in her Pre-Spring 2018 collection: the sourcing and production process was logged on the Ethereum blockchain in collaboration with **Provenance**, **FIA** and **A Transparent Company**. Consumers and retailers can scan a QR code or use an integrated NFC chip to find out exactly how the item in front of them was made.

Far from being just about the Bitcoin, blockchains can allow the industry to engage consumers and gain their trust. Any information, including text, images, and video, can be integrated into a piece of clothing, which enhances the brand's ability to tell a compelling story. As customer demand for transparency and personal relationships with labels grows, this will be a distinct competitive advantage for tomorrow's fashion businesses.