

White Paper

Why Winning Retail Brands Prioritize Transparency (And How They Do It) Part 2



Table of Contents

- Introduction 3
- Why Transparency Is Top Of Mind for Companies and Their Customers 4
- The Role of Digital Product Passports (DPPs) in Modern Retail 5
- Why Are Retailers Adopting DPPs? 6
- Item-Level Traceability: The Cornerstone of Effective DPPs 7
- Key Benefits of Precise, Item-Level Tracking 9
- The Path To Transparency and Traceability 10
- Coming in Part 2: Transparency in Action 10
- About BarTender 11

Part 2: Transparency in Action

Have you heard?

Transparency is **in** for retail.

At least that's what we discovered in part 1 of our retail transparency series. We explored how Digital Product Passports (DPPs) and item-level traceability are transforming the retail landscape. How so?

Today's consumers demand more than just quality products—they want the complete story behind their purchases, with **81% citing transparency as crucial to their buying decisions.**

We also explored how upcoming EU regulations are making DPPs mandatory by 2027, and how technologies like RFID, IoT, blockchain, and AI create the foundation for effective traceability systems.

Now, in Part 2, we'll move from theory to practice by showcasing how leading brands are implementing transparency initiatives to build consumer trust, enhance operations, and gain competitive advantages.

We'll also look ahead to the future of retail transparency, exploring how integrated ecosystems, predictive analytics, and circular economy enablement are set to revolutionize consumer interactions with products.

Join us as we discover how transparency is not just a compliance requirement but a strategic advantage that can differentiate your brand in an increasingly conscious consumer marketplace.



Examples of Brands Leading The Way In Transparency

As we explored in Part 1, transparency and traceability in retail supply chains offer numerous benefits, including:

- Enhanced consumer trust
- Improved operational efficiency
- Better risk management

Brands that embrace these principles are not only meeting growing consumer demands but also positioning themselves as industry leaders in sustainability and ethical practices.

Below, we'll explore top brands that are doing transparency (and using traceability technology) right and how it benefits them.

Patagonia:

Pioneering Sustainable Product Transparency

Patagonia has long been at the forefront of sustainable and ethical practices in the retail industry. And material traceability is among their most important initiatives.

Patagonia's approach to material traceability involves:

- Obtaining strong and credible third-party certifications to verify that the sustainable fibers advertised are actually used in their products.
- Employing subject-matter expert auditors to conduct on-site visits when reputable third-party certifications are not available.
- Continuously exploring new developments in material traceability and supply chain transparency.
- Researching the latest generation of traceability service providers to ensure the chain of custody of their sustainable materials.

By implementing these measures, Patagonia aims to improve overall transparency in the textile and other commodity sectors.

The company's commitment to transparency is evident in its **Supply Chain Environmental Impact Program**. This program aims to measure, reduce, and eliminate the environmental impacts of manufacturing Patagonia products and materials.

The Supply Chain Environmental Impact Program covers many impact areas, including environmental management systems, chemicals, water use, water emissions, energy use, greenhouse gases, other air emissions, and waste.

In 2018, Patagonia became the first outdoor brand certified to the **Advanced Global Traceable Down Standard**. This certification covers all products' down material and the final product itself, demonstrating Patagonia's commitment to end-to-end supply chain transparency.

Patagonia's Footprint Chronicles initiative provides detailed information about the origins of its products, including the environmental and social impact of each stage of production. This transparency builds trust with stakeholders and reinforces the company's reputation as a leader in sustainability.

Zara:

Fast Fashion Meets Digital Traceability

Zara, a pioneer in fast fashion, has been making significant strides in incorporating transparency into its business model.

In 2014, they introduced RFID technology for garment labels in their factories and warehouses. Their goal was to have all items identified and located at all points in the supply chain in real time.

In addition to supply chain excellence, RFID technology gives Zara another advantage: an enhanced customer experience. The brand decided to leverage the power of RFID technology to replace traditional hard plastic alarms on garments, which will **speed up the checkout process by up to 50%**.

In 2023, Zara's parent company, Inditex, announced **ambitious sustainability targets**. The company aims to have around 40% of its fibers coming from conventional recycling and 25% from sustainably farmed crops by 2030.

This move toward more sustainable practices is coupled with increased transparency, as Zara provides customers with more information about the environmental impact of their purchases.

Zara has also embraced artificial intelligence to enhance its customer profiling and trend forecasting capabilities. This technology-driven approach allows the brand to better align its production with consumer demand, potentially reducing waste and improving sustainability.



Chanel:

Fighting Counterfeits with RFID and Blockchain

Luxury brand Chanel has taken an innovative approach to combat counterfeiting and enhance product authentication. In April 2021, Chanel introduced a new **microchip authentication system** for its handbags and wallet-on-chains. This system replaces the traditional hologram serial stickers and authenticity cards with a microchip embedded in a metal plate inside the product.

The microchip uses NFC (near-field communication) and blockchain technology to store authentication data that is virtually impossible to alter once recorded. This information includes details about the bag's manufacture, components, and entire lifecycle from creation to distribution, purchase, and repairs.

Chanel's microchip system provides several benefits:

- Enhanced security against counterfeits, as the microchips are nearly impossible to replicate.
- Improved longevity of authentication proof, as physical stickers and cards can be lost or damaged over time.
- Increased ability to track the product's lifecycle, including repairs and ownership changes.

By implementing this technology, Chanel is not only protecting its brand integrity but also providing customers with a higher level of assurance about the authenticity of their purchases.





They aren't the only luxury brand to jump on the blockchain bandwagon.

LVMH, Prada, and Richmont created a **blockchain ecosystem** specifically designed to promote authenticity, supply chain resilience, sustainability efforts, and more.

Louis Vuitton also uses this technology to **trace natural diamonds**, providing customers with a digital certificate of their gemstone journey. The document details the diamond's weight, cut, color, and purity while tracking its journey from the country of origin to the workshops where it's cut to the stores customers can find in a store. The goal is to enhance the company's commitment to responsible sourcing.

These case studies demonstrate how leading brands across different segments of the fashion industry are leveraging technology to increase transparency, combat counterfeiting, and meet growing consumer demands for sustainable and ethical products.

As these technologies continue to evolve, we can expect to see even more innovative approaches to product traceability and authentication in the future.

The Future of Retail: Integrated Transparency Ecosystems

The truth is that transparency and traceability initiatives are just getting started. There are many exciting innovations currently underway, and ones rapidly developing.

What's going to be most important moving forward is an integrated approach to transparency and traceability efforts. Doing so will continue to amplify visibility and trust throughout the supply chain.

Here's how this could work.

Predictive Analytics and AI-Driven Insights

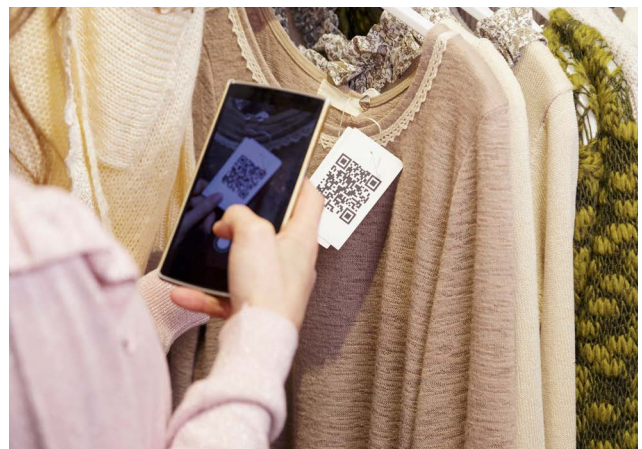
If you think we're at the height of AI adoption, think again.

A new **IBM study** found that spending on AI is expected to surge 52% this year. And companies are turning to AI for more than just automation functions. Leaders expect to increase the sophistication of AI use cases, including integrated business planning and predictive analytics.

This technology opens up a world of possibilities for retailers, enabling them to:

- Forecast demand with remarkable accuracy by analyzing sales data, seasonal trends, and external factors like weather.
- Optimize inventory levels, reducing both stockouts and overstock situations
- Personalize customer experiences through tailored product recommendations and dynamic pricing.

Predictive analytics and AI-driven insights enhance transparency in retail by processing vast amounts of data from item-level traceability systems, providing real-time insights into product journeys, and enabling more accurate and timely communication with consumers and stakeholders.



Circular Economy Enablement

76% of consumers prefer brands that are open about their sourcing and manufacturing processes.

This highlights that the future of retail is intrinsically linked to sustainability and the circular economy.

A great way for brands to invest in this effort is through Digital Product Passports. Remember, DPPs provide a digital record of a product's lifecycle, including manufacturing details, material composition, and recyclability information.

This transparency enables consumers to make informed decisions about the products they purchase, fostering trust and brand loyalty.

Evolving Consumer Interactions with Products

As transparency ecosystems mature, consumer interactions with products are set to change dramatically:

- QR codes and RFID tags will allow customers to access detailed product information instantly, from origin to environmental impact.
- Blockchain technology will ensure the authenticity and traceability of products, combating counterfeiting and building consumer trust.
- Augmented reality (AR) experiences may enable customers to visualize products in their own environments before purchase, enhancing the shopping experience.

These advancements are not just about providing information; they're about creating a more engaging and trustworthy relationship between consumers and brands. As **one study found**, 94% of consumers are more likely to be loyal to a brand that offers complete transparency.

The future of retail lies in creating integrated transparency ecosystems that leverage technology to provide unprecedented levels of information and trust. By embracing these innovations, retailers can meet the growing demand for transparency, drive operational excellence, and foster deeper connections with their customers.



Embracing the Transparency Revolution

As we've explored throughout this series, the retail landscape is undergoing a profound transformation driven by the demand for transparency and traceability.

Digital Product Passports (DPPs) have emerged as a powerful tool to meet these evolving consumer expectations and regulatory requirements.

The imperative for DPP adoption is clear:

- Consumers increasingly demand detailed information about product origins, sustainability, and ethical sourcing.
- Regulatory bodies, particularly in the EU, are mandating greater supply chain transparency.
- Item-level traceability enables brands to optimize operations, reduce waste, and respond swiftly to recalls.
- DPPs build trust with consumers, potentially leading to increased brand loyalty and sales.

For brands, the question is no longer whether to adopt DPPs, but how quickly they can implement robust traceability solutions. Those who act now stand to gain a significant competitive advantage in the marketplace.

Is Your Brand Ready for the Digital Product Passport Era?

Now is the time to invest in traceability solutions and data integrity. The future of retail belongs to those who embrace transparency.

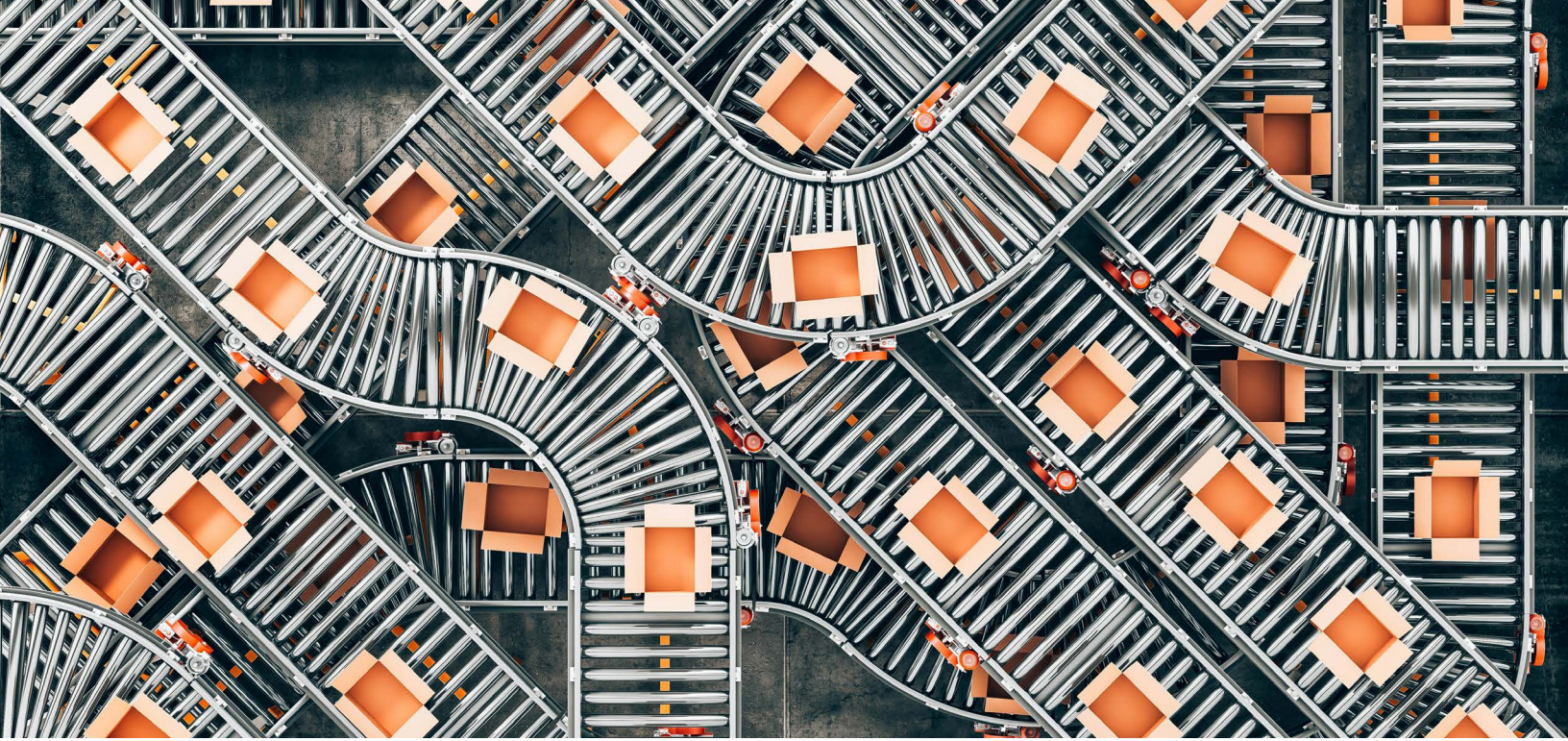
Here are some steps to get started:

- Assess your current supply chain visibility and identify gaps.
- Explore item-level traceability technologies that align with your products and operations.
- Engage with partners and suppliers to ensure data accuracy and consistency.
- Develop a roadmap for DPP implementation, considering both short-term compliance needs and long-term strategic benefits.
- Educate your team and customers about the value of transparency and how to leverage DPP information.

By taking action today, your brand can meet upcoming regulatory requirements and build stronger connections with consumers, optimize operations, and contribute to a more sustainable and transparent retail ecosystem.

The transparency revolution is here. Will your brand lead the way?

Make the answer yes, with BarTender. [Contact us](#)



About BarTender

BarTender is a brand of Seagull Software, a global leader in real-time, item-level visibility and label management solutions, dedicated to powering the world's most complex supply chains with innovative tools for traceability, authentication, and automated inventory management.

BarTender software enables businesses across all industries to design, manage, print, and automate the production of labels, barcodes, and RFID tags, ensuring seamless tracking and compliance for over 100 billion unique identifiers each year. Leveraging the Track & Trace high-security, scalable SaaS traceability platform, Seagull delivers end-to-end intelligence, harmonizing data to drive operational efficiency, enhance customer experiences, and reduce risk.

Headquartered in Redmond, Washington, with offices across the United States, Europe, Latin America, and Asia, Seagull empowers businesses worldwide to keep their products moving, traceable, and safe.

Learn more at bartendersoftware.com.

