![Vi3 logo] Vi3

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GOAL DIGGER

How Vi3's suite of tools will set you up
for success across the board

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Goal #1

Investing in sustainability, circularity, and keeping things traceable

Sustainability, circularity, traceability. Because of their relation, these concepts are often used side by side in articles and reports, making it difficult to really know what they mean separately and in relation to one another. Think of sustainability as the umbrella concept—focused on utilizing resources in a way that ensures they don't run out and leave the planet in a deficit. Circularity and traceability are more like smaller goals that companies can focus on to level up their sustainability efforts.

Focusing on sourcing raw materials from farmers who are enabling sustainable practices like planting multiple types of crops together, rotating crops, reducing tilling, and cutting out pesticides. Utilizing renewable energy sources like wind and solar. Moving away from virgin plastics, and using recycled plastics, while simultaneously minimizing plastic use in general. These are all actions businesses can take to make their companies more sustainable. The act of implementing technology to track each of these action items and ensure they're happening in the way they're supposed to, is traceability.

Circularity, on the other hand, is cutting out the end part of the life cycle of a product (i.e. the dumpster), and either repurposing or reusing the materials to create something new, thereby cutting down on waste. Stacy Flynn, the CEO of Evrnu (a company that "breaks cotton waste down into a liquid, then remakes it into stronger, higher-performing fibers") urges us to "get used to looking at things and understanding that nothing actually goes 'away' [when we throw it out]—there is no 'away,'" (Vogue, "The Future of Fashion Is Circular", 2019.).

With each new generation, the public's desire for sustainable goods continues to grow. Sustainable goods are made by companies focusing on some combination of ethical sourcing, renewable materials, traceability, and circularity. Some do all of them. If you already do some of these things, tracing and reporting on them is vital in order to capture the segment of consumers who really care about sustainability.

Goal #1
(Continued)

With **V Source**, brands are able to have full visibility into where products are being sourced from, where each product is being manufactured, and where it goes during distribution. Finally, with **V Connect** brands can share their progress with consumers, encouraging customer education and loyalty.

To move forward in the sustainability realm, you must define sustainability targets, develop partnerships with sustainable suppliers and manufacturers, increase supply chain traceability through **V Source**, share educational resources and progress on targets with **V Connect**.

Goal #2

Combating counterfeits and protecting your brand from gray market diversion

Counterfeiting is well over a trillion dollar issue at this point (Forbes reported it as such in 2018, and the market continues to grow every year), affecting many industries from fashion to medicine. Because counterfeits are an issue that affects most industries with physical goods, it's actually a huge opportunity area for businesses to 1) educate their consumers, and 2) stand out from their competition by making tangible progress in combating counterfeits.

Goal #2
(Continued)

Gray market diversion is when unauthorized sellers pull profits away from authorized sellers by selling counterfeit products. A rise in third party sellers online (sellers other than the company who makes the product) has contributed to this problem. E-commerce sites like Amazon allow sellers to set up online storefronts with relative ease and little requirements—allowing people to sell fakes without much problem. Social media has made its contributions as well, as counterfeit sellers set up digital showrooms and conduct business through direct message.

Aside from the fact that counterfeits cost businesses a ton of money, the dangers counterfeits pose to consumers cannot be understated. From unreported chemicals like lead in children's backpacks, to the lack of adequate testing around bike helmets, these fake products pose serious threats to consumer safety.

Another less reported aspect of counterfeiting is return fraud—the practice of buying a counterfeit product (often at a lower price) and returning it to an authorized seller as if it were an authentic product.

Many approaches to tackling the counterfeit problem are reactive (i.e. sending people to stores or warehouses to physically authenticate products). These measures are time consuming and costly. Because of this, many people are encouraging the adoption of blockchain technology to combat counterfeits. Blockchain is basically a digital ledger that cannot be changed. **Vi3 utilizes blockchain technology** via hyper-unique, scannable identifiers, so that it's immediately flagged when a product with a label mirroring an authentic product is scanned. Using our **V Enforce** app, you can pinpoint the location of the duplicate scan and counterfeit product. We've used this technology to bust entire factories pumping out fakes.

Goal #3

Leveling up your consumer marketing and consumer engagement

Lucky for some of us, the pandemic did have some upsides for tech—one of those being that it helped fuel the uptake of consumer QR code usage in the US. The little black and white squares are everywhere now, in part due to their efficiency and low production cost. You can use QR codes to link out to anything on the web—from a product page, to a PDF, or a video! Because most smartphones (which the vast majority of the world now has) have QR code scanning capabilities, they're a really effective means to disseminate information directly to the hands of your consumers.

One of the great things about QR codes is their flexibility. Say you have certain sourcing information you want to share about a product that aligns with your sustainability goals—you can link to a webpage outlining information for the specific product you put the QR code on. When your priorities for that product shift, you can easily replace the link that the QR code directs to moving from sourcing information to say, cross promoting a related product to boost sales. There are so many ways you can get creative with consumer marketing here, further building customer loyalty and cementing your brand's reputation. **V Connect** reports on consumer insights, so you can better serve your audience moving forward.

V Connect also allows you to utilize the same technology you would use to accomplish your supply chain traceability and anti-counterfeit measures, and make significant headway in your consumer marketing personalization as well. With all the talk around collecting consumer data these days, it's important to recognize the ways in which that process could be more reciprocal. Using QR code technology, you can empower your consumers, while further tailoring their experience for the future.

Goal #4

Mastering Recall Management

From time to time, we hear about recalls as consumers. Faulty airbags, too-high levels of chemicals in beauty products. For example, just this summer there was a huge sunscreen recall due to concentrations of benzene making their way into the product. As consumers, we rarely get the insight into just how expensive, time consuming, and labor intensive recalls are for businesses. When a company identifies an issue with a product, first they have to notify consumers who might be affected. Then they have to utilize their returns process (which isn't always equipped to handle a disproportionate influx of returns), and either fix the product and ship it back, or give the consumer a new one.

This is where traceability comes in again. When there's a product recall, massive amounts of additional labor needs to happen in a relatively short period of time. It can help cut the cost of recalls if you're able to isolate exactly which products were affected. Supply chain visibility and traceability lets you isolate where potential mistakes happen within the supply chain, so that you can identify batches of products that were affected and better mitigate these issues moving forward.

Many of the topics we write about often, such as Introducing closed-loop manufacturing (circularity), focusing on ethical sourcing, improving traceability and real time inventory visibility, and employing product identification, are all ways that businesses can be better prepared for recalls when they happen. Implementing scannable trackers on each of your materials and products, at each stage of the supply chain, will help you have this oversight and traceability via our **V Source** platform. Additionally, through products like **V Connect**, you can incentivize consumer registration of a particular product, so that notifying them about things like recalls is that much easier.

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