Smart Sportswear
Winning Big with NFC

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nfc everywhere

NXP | SECURE CONNECTIONS FOR A SMARTER WORLD

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CONTENT

Trends to watch out for

Healthy sales …
Sports apparel and footwear sales jumped 42% to $270 billion 2008-2015. By 2020, industry could add $83 billion in sale, or more than 30%

The rise of the "Ath-Leisure" Consumer ...
Consumer inclination towards healthy active life styles, increasing sports participation e.g. for women and youth, emergence of new sports, trend towards less formal fashion styles
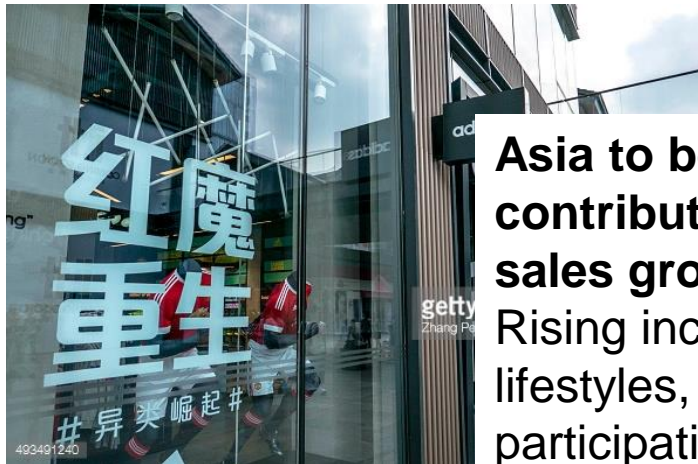
Asia to become biggest contributor to sportswear sales growth ….
Rising incomes, new lifestyles, increase in sports participation

Sportswear fusing with fashion …
Adidas by Ralf Simons and Stella McCartney, Rhianna for Puma, Gisela Bundchen modelling for Under Armour….

Source: Morgan Stanley, Euromonitor

Challenges for sportswear brands

How to stand out from the crowd… Uniform merchandising at retailers, poor knowhow of retail staff ….

Increasing risk of counterfeits – 20% of total sports apparel/ shoes market (Vandagraf Int'l)

Successful fan engagement in the digital age…
Social and mobile… eg. sports fans that see a brand message on social media are 78% more likely to have a positive perception of brands (Forbes)

Increasing competition from new local players and niche brands …

NFC brings products into the connected age

Combining NFC electronics within a sportswear product, with cloud services makes the product truly **smart**

Creating a dynamic network out of products, consumers and the distribution chain

3T consumer products sold every year

99.4% of physical objects still being unconnected (Cisco)

What is NFC?

NFC is a **short range, low power, contactless technology** that enables mobile devices to connect, share information and make transactions with just a touch

NFC operates in **three modes:**
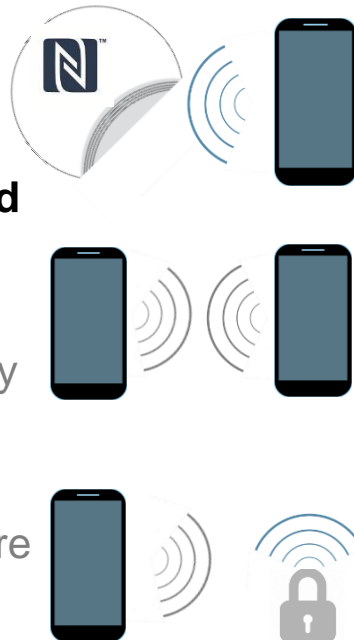
Tag Reader/Writer

Connect the digital to the physical world

Peer to Peer

Connect devices through physical proximity

Card Emulation
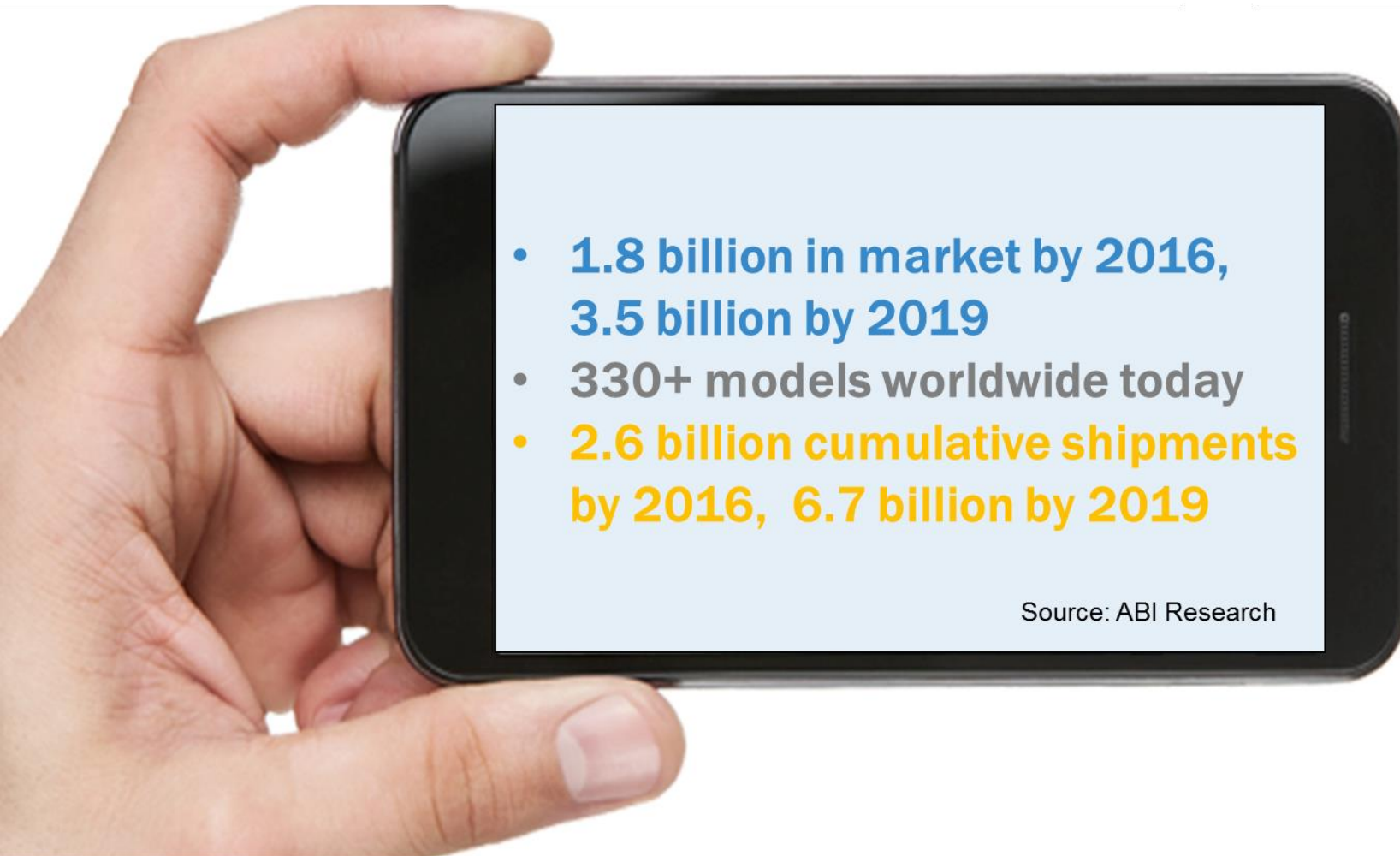
Connect to a common infrastructure (secure element, HCE)

Tag Reader/Writer: only the smartphone reader is powered, providing the energy to read and wire to the **battery-less** NFC tag

Actve   Battery-less

Each tag carries a **unique identification** number – giving each product its **unique DNA, memory and ability to communicate.**

Ubiquitous NFC smartphone availability

- 1.8 billion in market by 2016, 3.5 billion by 2019
- 330+ models worldwide today
- 2.6 billion cumulative shipments by 2016, 6.7 billion by 2019

Source: ABI Research

Smartphones drive digitalized lifestyles:
- truly personal device
- most used device to access the digital world (~150 x / day)
- "always-on, anytime, anywhere, when, where I want"
- used before, during and after shopping experience

NXP

Smart Sportswear products… what they are

Know who they are

- Provisioned with a unique ID or URL
- With help from the cloud, can authenticate themselves

Can be traced

- They know where they are, have been, and are going to
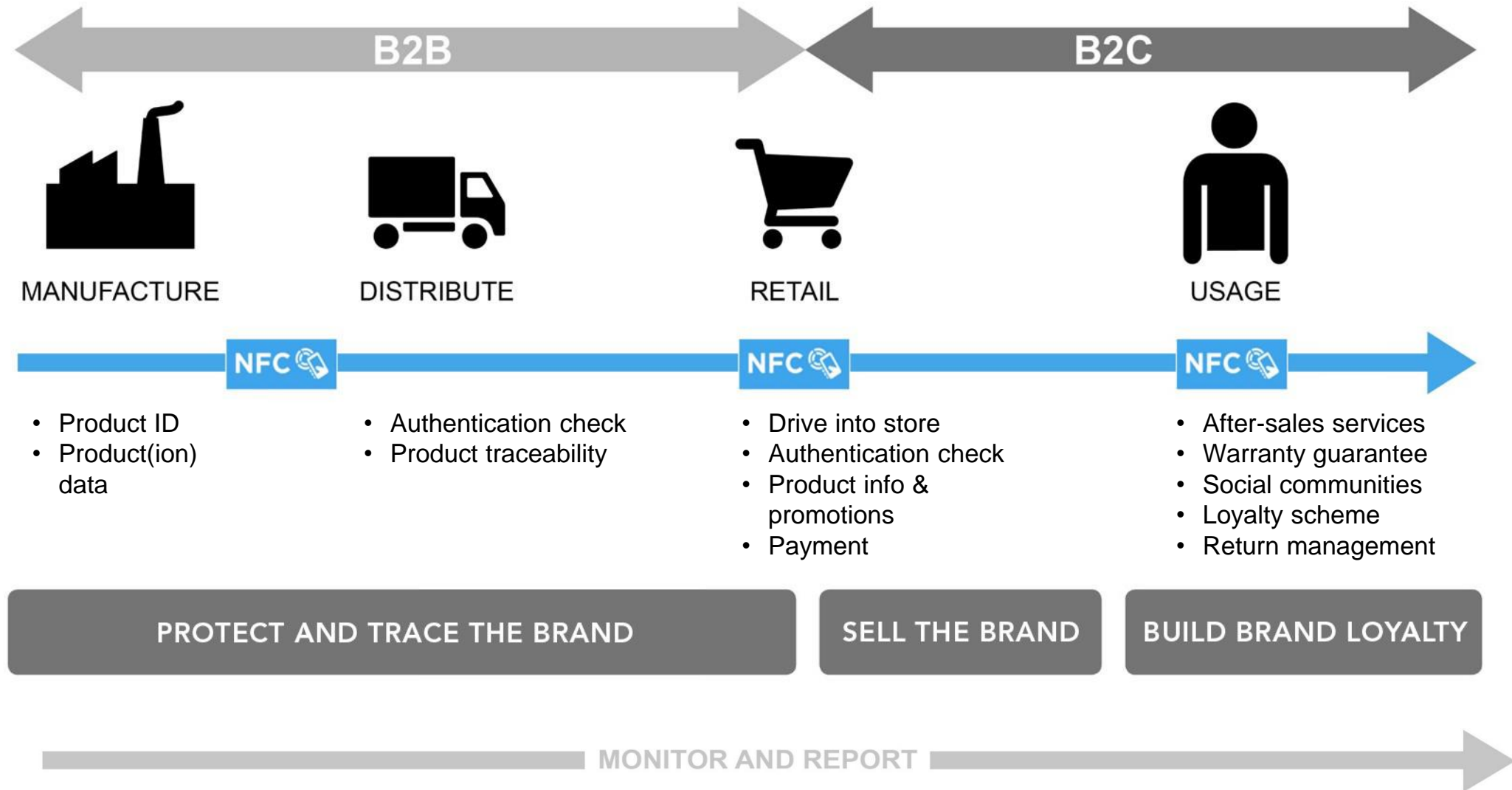
When tapped, talk and interact

- Electronically sharing locally stored information
- Can leverage the cloud to extend their action

Follow their product's life cycle

- Know what they are made of
- Know about alternative colours and sizes
- Can guide on correct usage and care
- Reward loyalty
- Explain they have been returned …

NFC brings value along the product life cycle

B2B — **B2C**

MANUFACTURE — DISTRIBUTE — RETAIL — USAGE

NFC

- Product ID
- Product(ion) data

- Authentication check
- Product traceability

- Drive into store
- Authentication check
- Product info & promotions
- Payment

- After-sales services
- Warranty guarantee
- Social communities
- Loyalty scheme
- Return management

PROTECT AND TRACE THE BRAND — **SELL THE BRAND** — **BUILD BRAND LOYALTY**

MONITOR AND REPORT

Content, services, experiences… from the products themselves

MONETARY

PRODUCT INFO

BRAND SERVICES

EXPERIENCES

PERSONALISATION
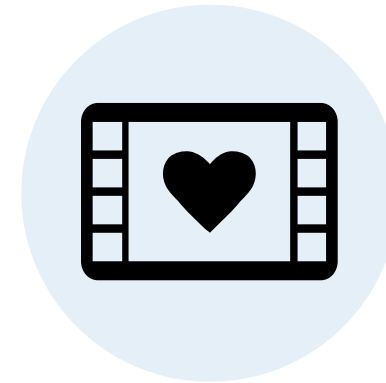
- Promotional offers
- Coupons
- Competitions
- Loyalty points

- Materials, technology details, etc.
- Alternative colors and sizes
- Product originality
- How to use
- How to take care
- Reviews, ratings and likes

- Warranty registration
- Outfit assembly
- After-sales services (e.g. returns, repairs)
- Reorders
- News about nearest store

- Exclusive lifestyle content
- Early access to new collections
- Contextualized content (location, time, triggers)
- Peer community engagement
- VIP access to clubs and events; preferential on-site treatment
- Exclusive access to athletes and celebs

- Title of ownership
- Perfect fit models (e.g. occasion/mood based, or unique fits)
- Curated clothing
- Rewards based on buying history

Smarter marketing based on contextualization and unique experiences

- Engage with consumers through dynamic content experiences, fully triggered by them and served in real-time

- Products communicate with connected intelligence in the cloud (IoT data, customized rules) to deliver content based on ....
  - one's location,
  - date/time,
  - prior actions,
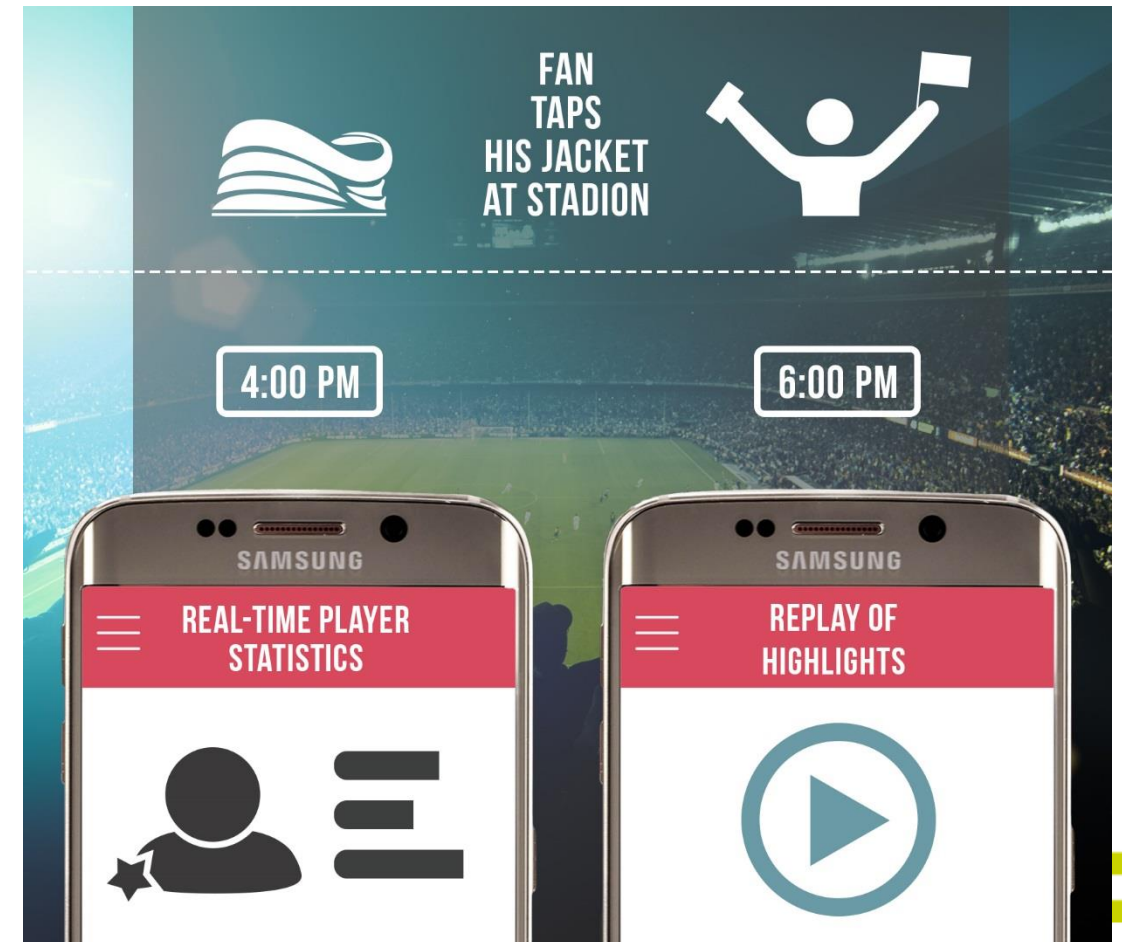 - on-demand requests,
  - external triggers e.g. weather
  etc
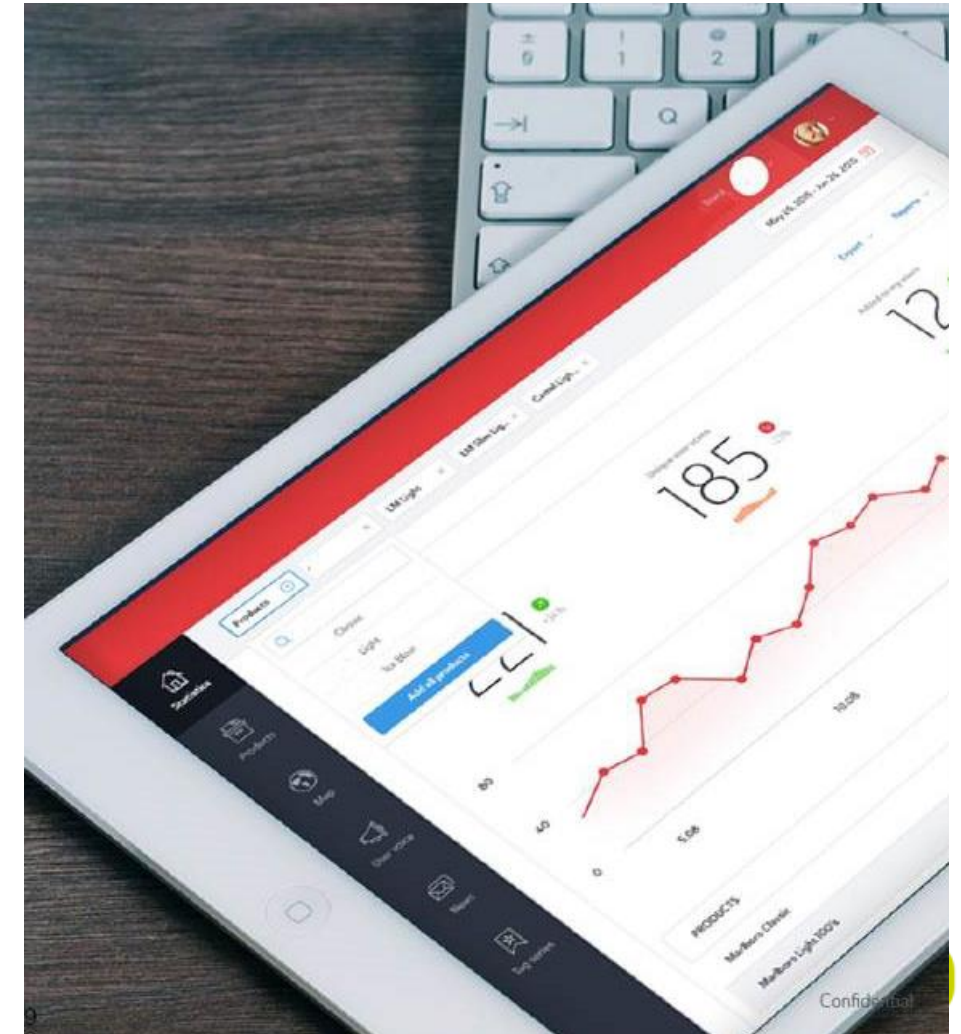
… for ongoing consumer engagement opportunities

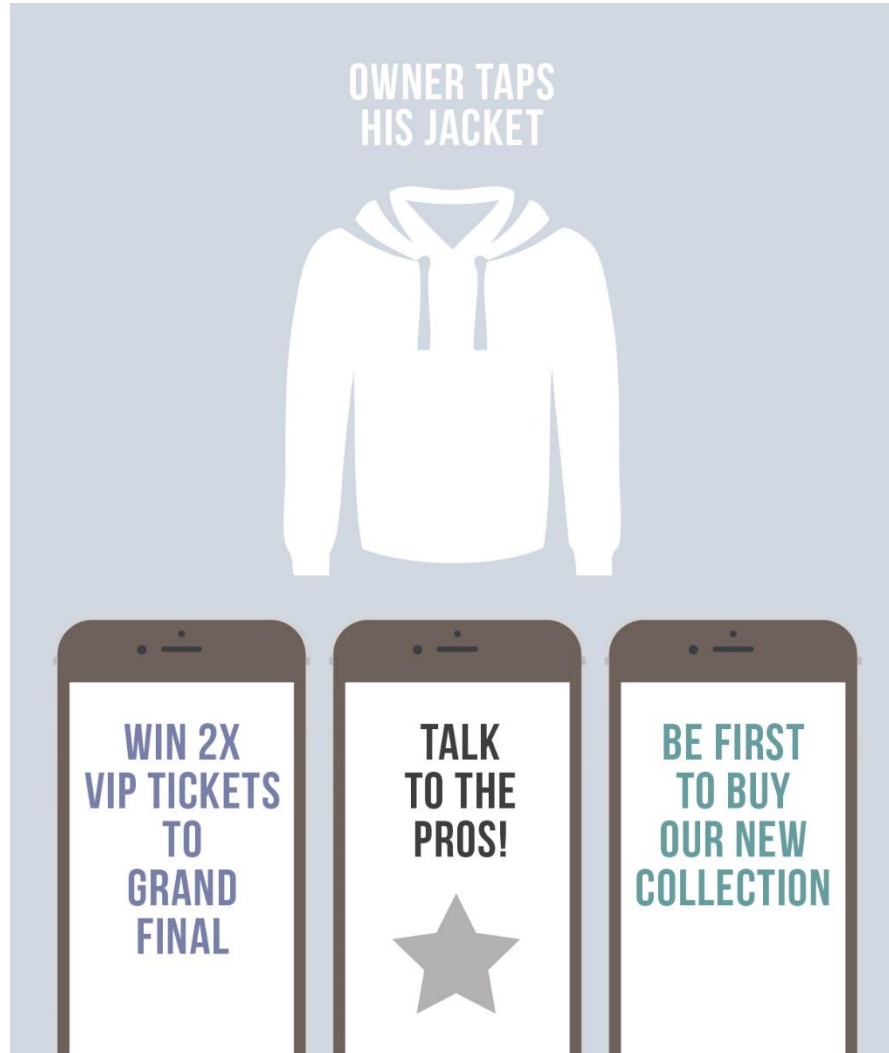Example of contextual content ...
location/weather based

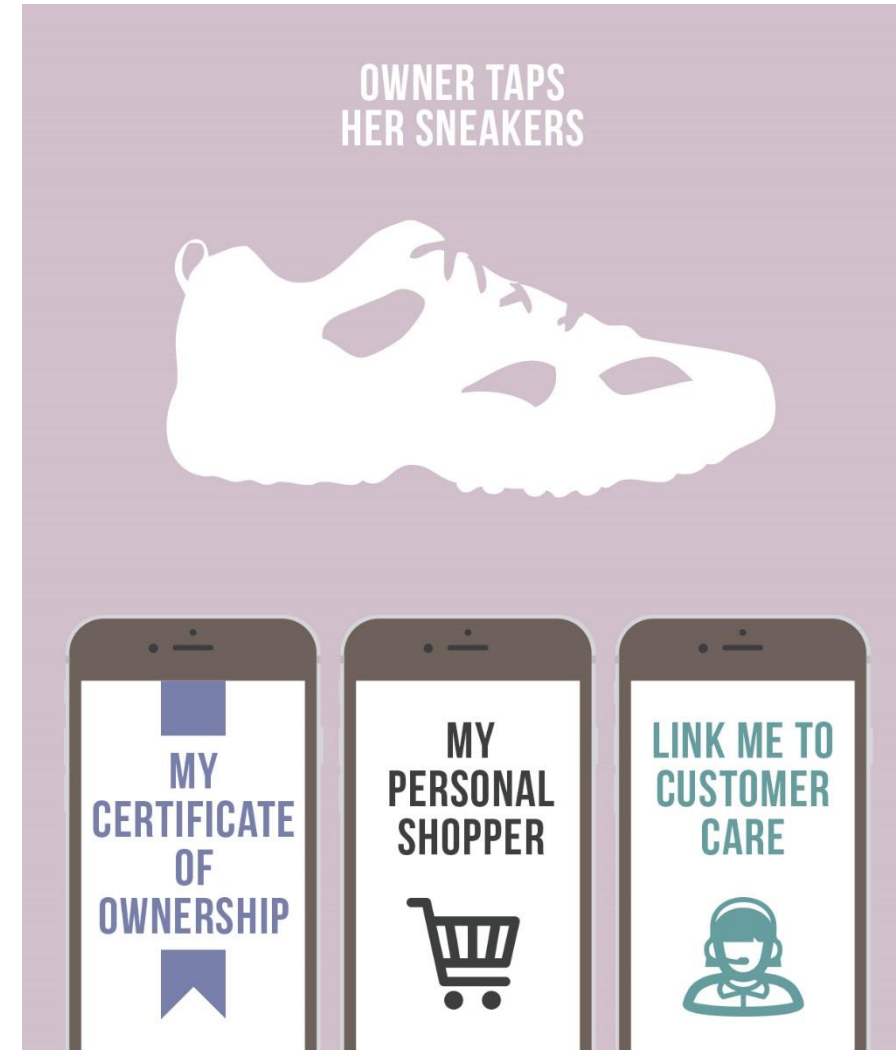Example of contextual content ...
location/time based

… for ongoing consumer engagement opportunities

Examples of exclusive experiences

Examples of personalized experiences
(based on one`s profile and history)

OWNER TAPS
HIS JACKET

WIN 2X
VIP TICKETS
TO
GRAND
FINAL

TALK
TO THE
PROS!

BE FIRST
TO BUY
OUR NEW
COLLECTION

OWNER TAPS
HER SNEAKERS

MY
CERTIFICATE
OF
OWNERSHIP

MY
PERSONAL
SHOPPER

LINK ME TO
CUSTOMER
CARE

More effective brand protection and loss prevention

- Engage consumers to fight counterfeits
  - Consumers can check authenticity of each product themselves – in real time, before making a purchase – using their NFC phone

- They also check authenticity for a brand's supply chain
  - Each product can be assigned to a geographic area and distributor, such that any deviation is immediately detected and flagged

- Real-time monitoring and alerts
  - Info about location, time and usage of uniquely identified items generates rich data analytics and alerts in the cloud
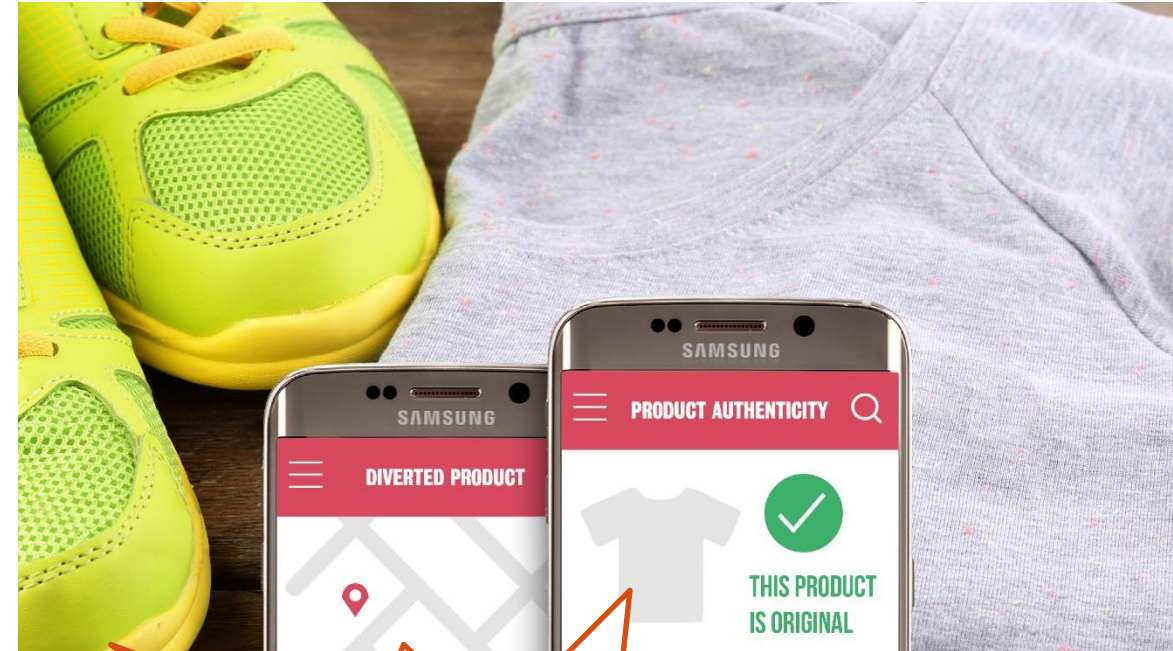
20% of total sportswear market are fakes (Vandagraf International)

... through crowdsourced authenticatiton

- Brand owners can now engage their distribution network and consumers at the same time – using NFC smartphone technology

- Inspectors and distribution partners can authenticate produces directly in the field

Crowdsourced Authentication

Brand owner Customs Importers Distributors Retailers Customers
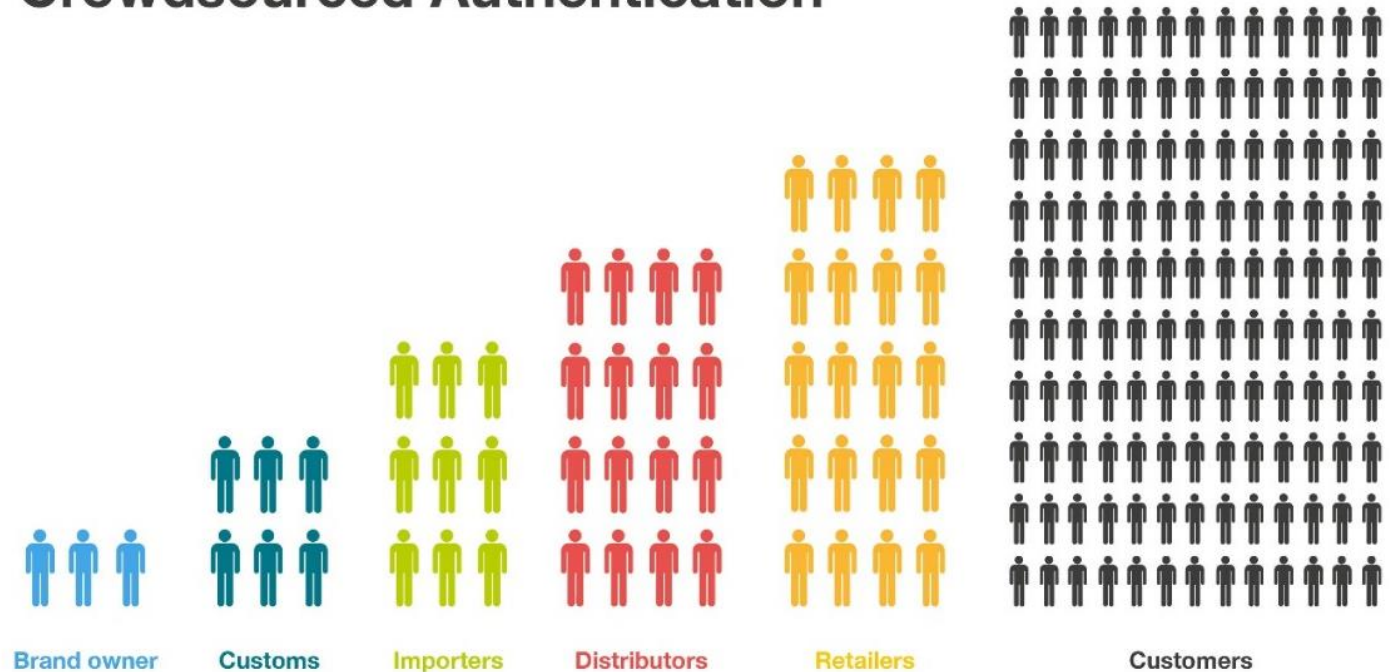
► NFC brings many benefits for consumers

- Easy and instant access to the product's info and services
  - Product-related information with rich digital content (text, pictures, video) - available everywhere and in real-time: materials, tech details, usage instructions, etc.
  - Monetary incentives: money off, promotions
  - Reassurance of buying a genuine product
  - Value added services: warranty, title of ownership, outfit assembler, after sale services, etc.

- Feel part of an exclusive community
  - Early access to new collections and buying privileges
  - Privileged access to sponsored clubs and events
  - Exclusive content on sponsored athletes

- Enhance feeling of unique brand experience!

►... and drives value for brand owners

- Increase direct 1:1 touch points with consumers
  - The power of products - sheer numbers !
    (millions of products compared with hundreds of shops)
  - Products can interact before, during and after the purchase – 24/7

- Smarter marketing based on real-time consumer needs
  - Contextual info based on location, date/time, on-demand request, or external trigger
  - New intelligence on customer profiles and behaviors via tracked interactions

- Increase sales revenues
  - Encourage purchases and repeat purchases
  - Effectively combat counterfeits and channel diversions
  - Improve loyalty by data feeds into CRM programs

- Deepen customer relationship & differentiate from competition!`
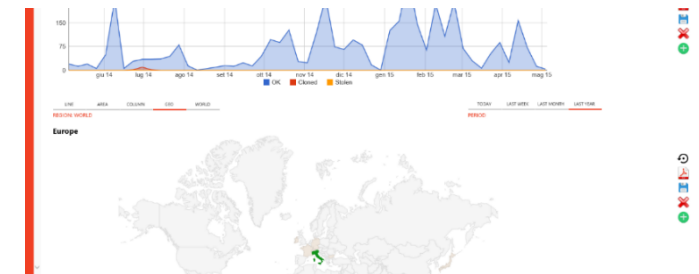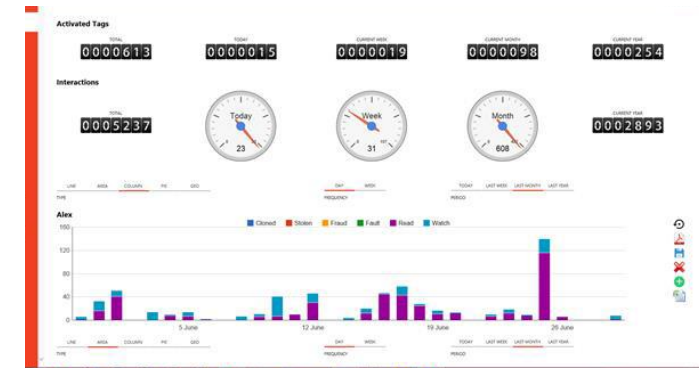
NFC IN ACTION

REAL LIFE CASES BY NXP

ARENA WATERWEAR

- NFC enabled swimsuits to combat counterfeits and drive a personal 1:1 relationship with consumers

- Let them authenticate the brand – via an App and cloud server

- Engage them at points of sale and usage:
  - Access to product info – material, tech details, the way to sue and care
  - Smart services – warranty, new product alerts
  - Part of exclusive community – talk to the pros and peers

- Capture of real-time scan and consumer data

Powered by **n**tag

ADIDAS HYPEBEAST

- Adidas sneakers with NFC enhanced tongue, guiding shoppers to a brand microsite

- Customers tapping in-store for product related information - storytelling, material, tech details,

- At home, customers tapping to join the Adidas running community

- Analytics and consumer insights

- ttp://www.thedrum.com/news/2015/03/15/adidas-digitise-trainers-and-footballs-create-over-billion-consumer-touchpoints

Powered by

DKB SPORTS

- NFC equipped sports jackets

- Get consumers easy and instant access to product's info and services - material, tech details, the way to use and take care

- Let them verify the product's authenticity, working with a brand app and cloud platform

- Be part of a community: early info on new collections, privileged access to e-commerce, integrated marketing programs e.g. with ski resorts

- Capture of real-time scan and consumer data

Powered by **ntag**

ADIDAS MOTORSPORT

DEMPSEY PROTON RACING

- Drivers and race inspectors can use an NFC phone and an app to read a suit's NFC tag

- They can get assured that the suits they use are authorized by FIA

- They can also access and manage data related to each suit in the cloud, e.g. driver's name, team, season etc

- Powered by NXP's NFC technology

- http://www.rfidjournal.com/articles/view?14739&sthash.0U7tsgnq.mjjo#back-from-modal

EMBASSY BIKES

- Embassy is the first Polish brand of cruisers, operating since 2007, with a large number of loyal followers

- Embassy provides a special service - Custom Bicycle - which allows customers to design their own bikes

- Each cruiser bought from Embassy has a unique NFC enabled feature which allows customers to verify authenticity and assign it to their ownership

- Analytics and consumer insights

Powered by ntag

SAMSUNG SMART GOLFWEAR

- When the user's NFC phone taps the garment's NFC tag, the tag launches a mobile app that gives golfers information about the course they're playing

- Golfers can for example ….
    - see the distance from the current location to the hole,
    - get extra information about the golf club,
    - or check weather and UV ratings where they are

SMART SWING

GOLF MODE

WEATHER
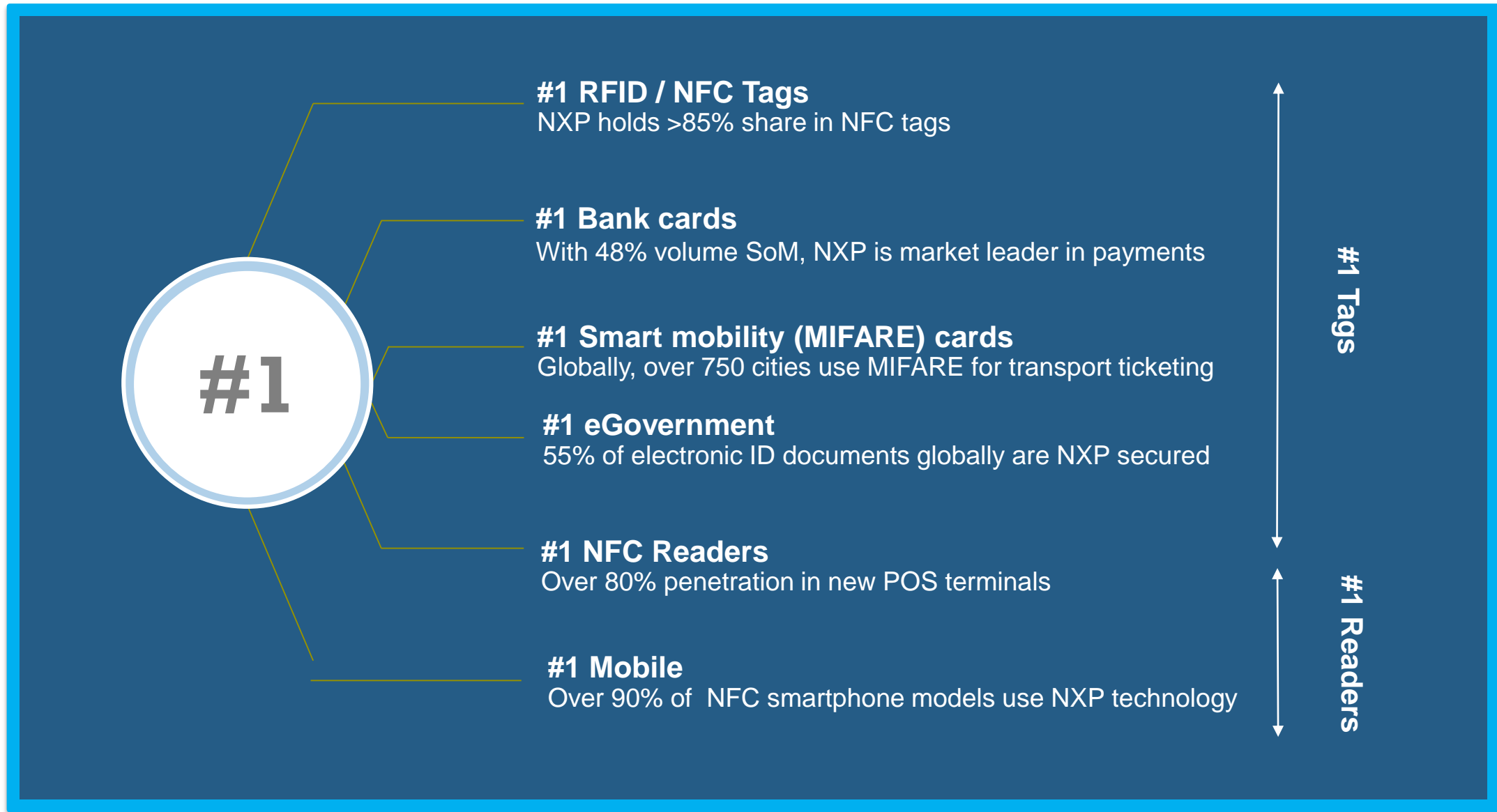
PICK

FUN GOLF

Powered by n tag

In summary ...

- Today's sportswear is turning smart, interactive, traceable and valuable with NFC.

- A sportswear item is digitalized when, at point of manufacture, it is uniquely identified through NFC tagging and connects to smart software in the cloud.

- This can trigger
  - real-time services, experiences and personalization for consumers,
  - smarter business applications,
  - valuable new analytics and insights for brands.

- In turn, this can lead to incremental business opportunities (more sales, more loyalty) and smarter operations.

The NXP advantage ... the #1 global NFC chip leader

#1

#1 RFID / NFC Tags
NXP holds >85% share in NFC tags

#1 Bank cards
With 48% volume SoM, NXP is market leader in payments

#1 Smart mobility (MIFARE) cards
Globally, over 750 cities use MIFARE for transport ticketing

#1 eGovernment
55% of electronic ID documents globally are NXP secured

#1 NFC Readers
Over 80% penetration in new POS terminals

#1 Mobile
Over 90% of NFC smartphone models use NXP technology

#1 Tags

#1 Readers