

## **Decentralized Clothing Stores of the Future**

An Application of Token Curated Registries to decentralize the fashion designing and selling process.

**Problem Statement-** The global clothing industry is a \$3 trillion dollar market, but the designing, distribution and selling process of clothes is controlled by very few trusted 3rd parties - ex. Inditex/Zara, H&M, Forever21. Can distributed ledger technologies be used to redefine this process in the blockchain era?

**Stakeholders** - The stakeholders in the fashion ecosystem include designers, retailers, manufacturers and influencers.

1. Designers - They are the creative side of the industry and come up with the designs. They fall into two broad categories - in-house designers who work for fashion labels, and boutique fashion designers who sell through their own stores and other boutiques.
2. Retailers - These include large retail brands (Zara, H&M, Forever21), boutique fashion stores and ecommerce marketplaces like Amazon, Farfetch etc. They help the designs reach consumers, and therefore hold a massive amount of influence over the designing and buying process. They are the curators/trusted 3rd parties.
3. Manufacturers - They manufacture the clothes based on the specifications given by the retailers. Main role is to ensure on time delivery of items.
4. Influencers - These are fashionistas, celebrities, word of mouth and other marketing avenues that influence buying behavior.

My research thesis is broadly aimed at understanding how DLT technologies can help build a new decentralized fashion ecosystem that is able to connect designers, manufacturers and consumers by reducing the influence of the current middlemen - the retailers. Using blockchain to establish trust and transparency, we can reduce many of the problems plaguing the industry. Some of these are

- Talented designers don't make enough money, and often have their intellectual property (novel designs) stolen. Can the DLT help safeguard their interests?
- Retailers make most of the profit, but are not often taking enough risk or keeping up with consumer expectations as demonstrated by many of the leading fashion companies struggling with store closures. Can TCR's help give consumers more options?
- Manufacturers, especially in 3rd world countries, are squeezed by retailers to manufacture cheaper clothes. This leads to choices such as child labor, overworking employees and not giving them fair compensation. Can they get better compensation?
- Often times, seeing what others wear is a big influence on your personal clothing choices. If you are influencing people through your style, why should you not get compensated for that?