

Blockchain and Luxury:
Revolutionizing
Craftsmanship or
Destabilizing Heritage?

Sascha R. Rowold

BLOCKCHAIN



Cartier
INTERNATIONALLY RENOWNED
JEWELLERS SINCE 1847

New York
Paris
London
Cannes
Fifth Avenue and 33 Street, New York 21, N. Y.

Cernobbio
Palm Beach
Monte Carlo

1, RUE SCRIBE,
PARIS.

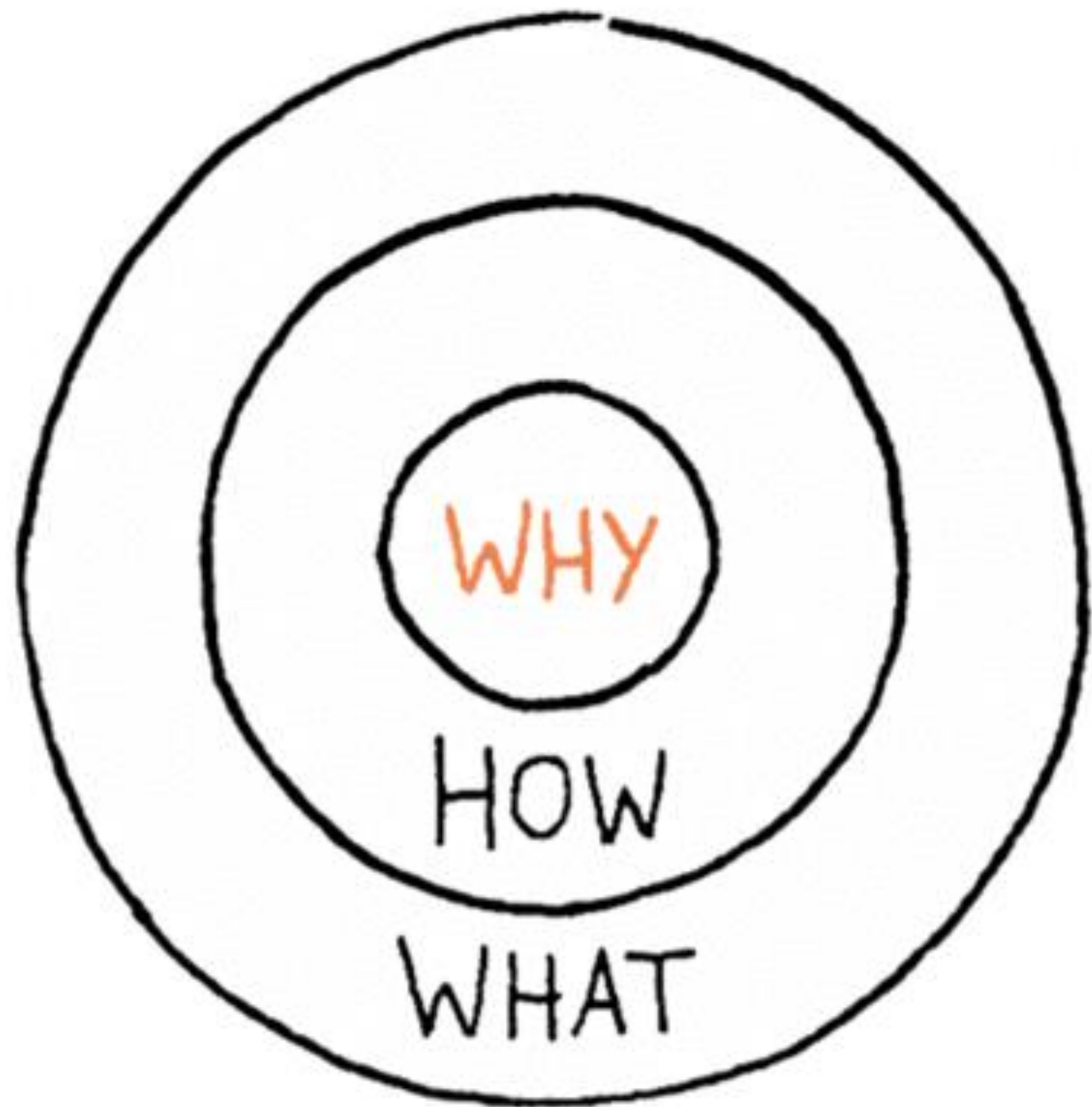
Louis Vuitton

149, NEW BOND ST.
OPPOSITE CONDUIT ST.
LONDON, W.

TELEGRAPHIC ADDRESS:
"VUITTON, LONDON."
TELEPHONE NO 2587 GERARD.

+ Travelling Requisites +





A photograph of two men hiking through a snowy mountain landscape. The man on the left is wearing a black long-sleeved shirt and dark pants, carrying a brown backpack with a coiled rope. The man on the right is wearing a dark t-shirt and dark pants, carrying a dark backpack with a coiled rope. The background features snow-covered mountains under a blue sky with light clouds. The text "There are journeys that turn into legends" is overlaid in white, serif font across the center of the image.

There are journeys that
turn into legends



Top 6 luxury groups combined 2023 numbers:

- 151 bn EUR revenue
- 31 bn in profits
- 332.000 employees
- 13.200 stores worldwide
- 15,4 bn in combined marketing spend
- 8,2 bn in IT / digitalization / software spending

A woman with short, wavy brown hair is shown from the chest up, wearing a black dress with a colorful floral pattern. She is holding a clear glass perfume bottle with a red label. The background is a soft, out-of-focus landscape, possibly a beach or a field. The text is overlaid in a white, monospaced font.

The luxury
industries
view on Blockchain

Blockchain in Luxury – The Sudden Wealth Effect

- An estimated 2,8% of global luxury revenues are presumed to be “blockchain” revenues with the world's largest luxury brands, excl. cars.
 - Between 1,2 - 3,1 with the leading players LVMH, Kering, OTB, Prada, Hermes and Richemont
 - 65% from Asia
- Yet, Luxury brands excepting crypto are still rare, some examples:
 - Gucci & Balenciaga (select US locations)
 - Off-White and Farfetch
 - Ralph Lauren, Philipp Plein (concept stores only)
 - Tag Heuer, Hublot



Financial Facts on Blockchain

- The top 6 Luxury brands spend about 3,3bn EUR on digitalization and software development initiatives
 - AI and Data analytics spend at 10x compared to Blockchain incl. Aura consortium
 - @ LVMH: 20x compared to Blockchain incl. Joint Venture with google

A low-angle, close-up shot of a person's legs and feet as they walk on a paved path. The person is wearing light blue denim jeans and tan sneakers. The background is a bright, hazy sunset with a large, glowing sun low on the horizon, creating a warm, golden light. The text "The Promises vs. The Reality - initial steps" is overlaid in a white, monospaced font across the center of the image.

The Promises vs. The
Reality - initial steps

A woman with long red hair, wearing a long, patterned, shimmering dress, stands in shallow, calm water. Her reflection is clearly visible in the water. In the background, there are low mountains under a clear, light blue sky. The text "I AM AURA" is overlaid in white, sans-serif font across the center of the image.

I AM AURA



AURA BLOCKCHAIN CONSORTIUM

LVMH

OTB

PRADA Group

RICHEMONT

ASSOCIATE MEMBERS

BRABUS

BVLGARI

Cartier

Chopard
GENÈVE

CZAPEK
GENÈVE

DIOR

GIVENCHY

Hennessy

HERISTORIA

HUBLOT

JIL SANDER

LALIQUE

Loro Piana

LOUIS VUITTON

Maison Margiela
PARIS

M A R N I



Mercedes-Benz

סוּחַ סוּחַ

H Moser & Cie
VERY RARE

NOBLE PANACEA

PRADA



SAVIO FIRMINO



Our mission

We, the Aura Blockchain Consortium, are a **non-profit association of luxury brands** investing in technologies to enhance the customer experience and build a virtuous future for luxury.

Our vision

We strive to make **blockchain solutions** and related technologies **easy and available** to all luxury brands.

Our values

We strive to provide tools to assist in creating **transparency** and **trust** for all customers and stakeholders.

We strive to **improve the buying, owning, selling, reselling and recycling** experience of luxury goods.



AURA SAAS

By Aura Blockchain Consortium



AURA MTM

By Aura Blockchain Consortium



Blockchain for Supply Chain Transparency & Sustainability

Promise

- Traceability across entire supply chain
- Immutable records
- Ethical sourcing
- Insights into environmental impacts

Reality

- Adoption barriers
- High costs
- Input data quality
- ESG concerns
- Consumer behavior

Proof of Authenticity and Ownership

Promise

- Digital certificates, validating authenticity
- NFTs to prove ownership and track product lifecycle
- Circular economy and resale market

Reality

- Consumer adoption extremely low
- Lack of understanding, or simply do not care in combination with educational challenge
- Counterfeiting extends beyond blockchain solutions





NFT and Digital Luxury

Promise

- New digital frontiers, especially in virtual goods
- Exclusive (digital) experiences mirror exclusivity of physical products

Reality

- Major volatility and lack of regulation
- Digital goods do not hold perceived value
- High-profile failures disappointed consumer behavior

One way to think about it

- Risk mitigated approach?
- Commoditized technology
- Just a modern twist to an old story
- No competitive advantage expected





... is it there to stay?

1. Cost vs. Benefit
2. Consumer Adoption
3. Sustainability Paradox
4. Fragmentation of Standards
5. Garbage In, Garbage Out
6. Hype vs. Real Impact: overpromising technology
7. NFT in Luxury; risky bet or bold step
8. Counterfeit Prevention; overstated effectiveness
9. Technology vs. Tradition
10. Regulatory and Legal Uncertainty



Quo vadis – how do we
take this forward

1. Barrier to commit; get the basics right

1. Clear ROI und Cost-Benefit Analysis
2. Economic feasibility and accessibility
3. Industry-wide Standards & Interoperability
4. Enhanced Data Privacy and Security
5. Regulatory Clarity and Compliance Frameworks
6. Technological Scalability and Usability
7. Sustainability Alignment

WIS
Vunfor
Full Service





2. Be relevant

1. Clear value proposition, with a substantial benefit over existing solutions
2. Usability and superb User Experience to the people that matter
3. Cultural and Social Acceptance across cohorts
4. Market Demand and Timing

LES JARDINS DU PONT NEUF

3. Get us!

- Impact OUR KPIs, not yours!
- Care what we care about!
- Be relevant, to the people who matter!
- Show longevity, not volatility!
- Help us understand it!
- Think about OUR WHY!

LES JARDINS DU PONTOISE

Let's discuss!