



WORLD FEDERATION OF THE
SPORTING GOODS INDUSTRY

WFSGI STATEMENT ON:

DIGITIZATION OF PRODUCT INFORMATION



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There is no doubt that innovations and technological advancements have considerably empowered individuals and businesses, simplifying and improving their everyday lives over time. This applies even more given that the COVID-19 crisis made digitization more urgent than ever, bringing the physical and digital worlds together and speeding up the digital transformation. With online purchases drastically increasing over the past year, now is an apt time to take a renewed look at labelling. As online purchases and digitalization continue to increase, companies must continue to provide consumers with critical information by digitizing product information that currently resides on physical labels, including information present on tags, packaging, and manuals.

On behalf of our members from the Sporting Goods Industry, representing manufacturers, brands, and retailers, we urge national regulatory authorities and policy makers to open-up the use of digital product labels for the sporting goods to deliver mandatory product information to consumers.

By adopting a step-by-step approach towards digitization using various existing technologies available on the market, such as QR codes, which can be connected to URL, smartphones, printing at point-of-sale technology, NFC, barcodes, and RFID, our industry commits to ensuring that all consumers (including those without Internet access and/or not yet equipped with personal electronic devices) will be informed about the required product information. Our industry believes that e-labelling (including the electronic publishing of labelling content) should in principle replace printed/physical labels to the fullest extent possible, unless the information needs to be kept physical on product/on printed materials for product safety reasons (e.g. a safety warning designed to be prominent, clear and understandable and must call the immediate attention of the consumer). The industry recommendation would be to differentiate between what could be digitalized and the information on the safe use of a product (e.g. consumer warnings, safety, related to personal integrity), which should stay on the physical labels.

Our WFSGI Digitization of Product Information Working Group aims to drive forward the use of digital technologies on ALL sporting goods, including but not limited to apparel/ footwear/ accessories/ sports personal protective equipment (PPE helmets, googles, protective eyewear, guards, straps, pads), / sports equipment for instance balls, bats, sticks, rackets, skis, skates, snorkels, surfboards, ropes, mates, weights, tents / bicycles covering e-bikes, wireless components / batteries / wearable devices, electronics. The digital label would be a vehicle to hold product information for a specific period of time depending on the nature of the product, whenever possible, in place of traditional labels and tags.

Unlike traditional tags and labels, which typically get removed after a product has been purchased, digitized labels allow consumers continued access to important information.



We strongly believe that the digitization of product information would have many positive effects benefiting multiple stakeholders:



1. For consumers: Comfort and durable access to essential information throughout the life of the product

→ 1.1. Continuous and better access to dynamic and essential information

→ 1.1.1. Loss of information

Providing product information in a digital format would prevent consumers from losing access to essential and mandatory information (such as characteristics, fiber/material composition, care and storage instructions, country of origin, importer/manufacturer addresses, safety warnings, etc.) after cutting off physical labels or throwing away packaging and/or manuals after having purchased the product.

This is also key for second-hand markets, which are rising in relevance due to the acceleration of the circular economy which is a development priority of the European Union and for developing countries.

Consumers must be able to access information not only at the time of buying the product but throughout its entire lifecycle. Digitization could be one of the key components to helping move towards a circular economy. At a time when environmental concerns are high, 75% of Europeans are in favor of a second life for their clothes and choose to give them away (source: IPSOS GINETEX 2018).

→ 1.1.2. Accurate/readable information in real time

E-labelling also makes it possible to reflect the latest safety information since content can be updated immediately and frequently and can further enhance care instructions (which cannot be captured in symbols alone) improving consumer experience. Almost 50% Europeans go on the Internet to understand the care symbols (source: IPSOS GINETEX 2018).

In addition, through digital means, consumers will have the right information at their fingertips anywhere and in real time. The quality and precision of the information delivered will be much better and more extensive. Application of digital means would allow businesses to adjust e-labels according to the latest legally required information (i.e. such as fiber composition, care instructions, warnings, etc.), to fix errors more easily and provide important information on safety or recalls, or any extra data, on a voluntary basis, that the consumers might find useful in an appropriate detailed way and in their respective local languages (e.g. materials used and product traceability, information about how a product was made, certifications, warranty, up to date care instructions, features, benefits, brand initiatives and the like).

For instance and due to a non-unified labelling approach worldwide, including many country specifics, it is not uncommon to find contradictory information on labels which can be a source of confusion for the consumer. By having the possibility of digitizing the information, the Sporting Goods Industry and its associated sectors, would be able to redirect the consumers with the right country IP address, with the applicable information for this specific country.

On top of that, the quantity of labeling information which is legally required, such as the obligation to display the information in multiple languages, overcharges the labels, making it very difficult for the consumers to read the information on labels.

Last but not least, by using advanced technologies such as QR codes, not only to digitize product information, but also to authenticate products, the consumers could be protected from the harmful effects of counterfeiting, threatening their health and safety.



2. Being attuned to the needs of the consumers in term of comfort/practicality and in step with the technical realities of the products

→ 2.1. Case Study on Textile

Many consumers report physical tags and labels, which are frequently unavoidably long to comply with various global labeling regulations, are bothersome, often causing itchiness. The consumers' answer to this discomfort is usually to cut the labels off (according to a study conducted in 2018 by IPSOS for GINETEX, 68% of Europeans cut their textile's label – either systematically or occasionally), which prevents them from continual access to important product information. This need for comfort is particularly relevant to the sporting goods industry where our consumers usually wear functional clothing/sports articles when engaging in physical exercise where performance and quality are of utmost importance. To combat this issue, over the past few years our industry began printing information directly on the garment/products to provide consumers with comfortable, durable, and accurate information.

Nevertheless, these direct prints have their limitations since they do not allow extensive amounts of information to be displayed on the product. Digitized labels are not intrusive to the consumer and do not limit the amount of information available.

Furthermore, many technical products such as seamless textiles, bonded constructions, etc. do not offer the traditional positions for a label to be attached (e.g., sewn into the neckline or side-seams). The digitization will enable customers to get access to the relevant information even for technical products that do not offer the possibility of physical information to be displayed on them.

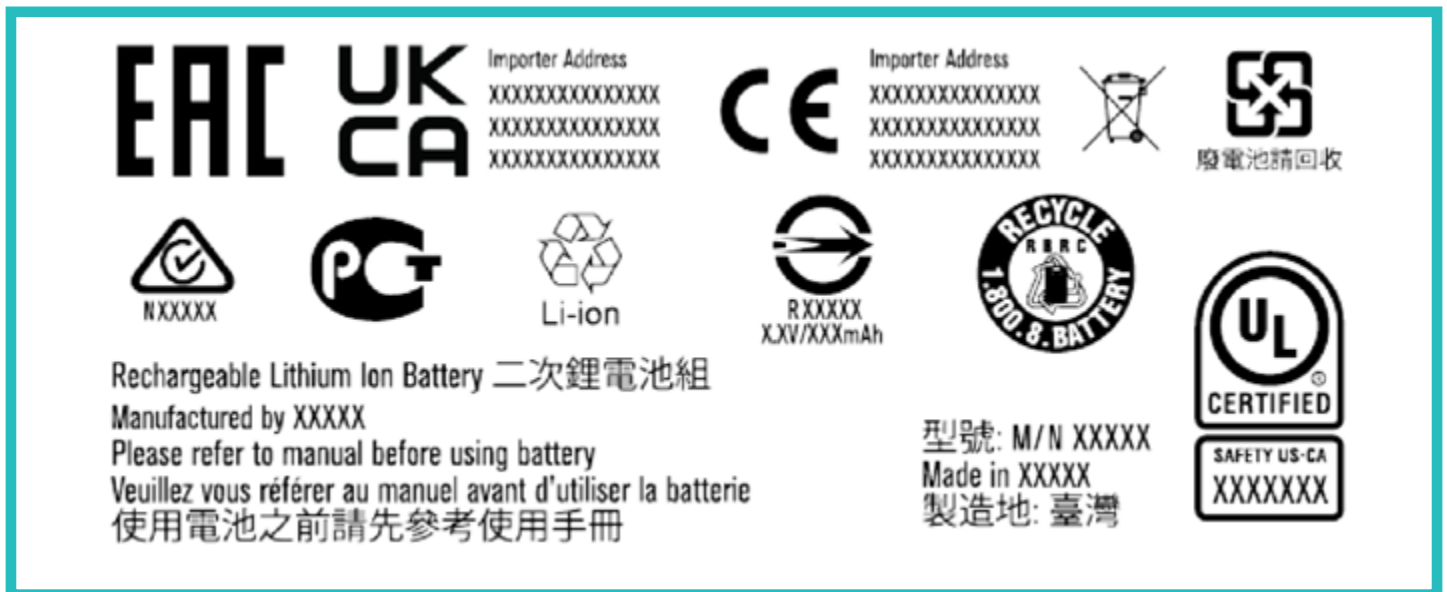


→ 2.2. Case Study on Bicycle

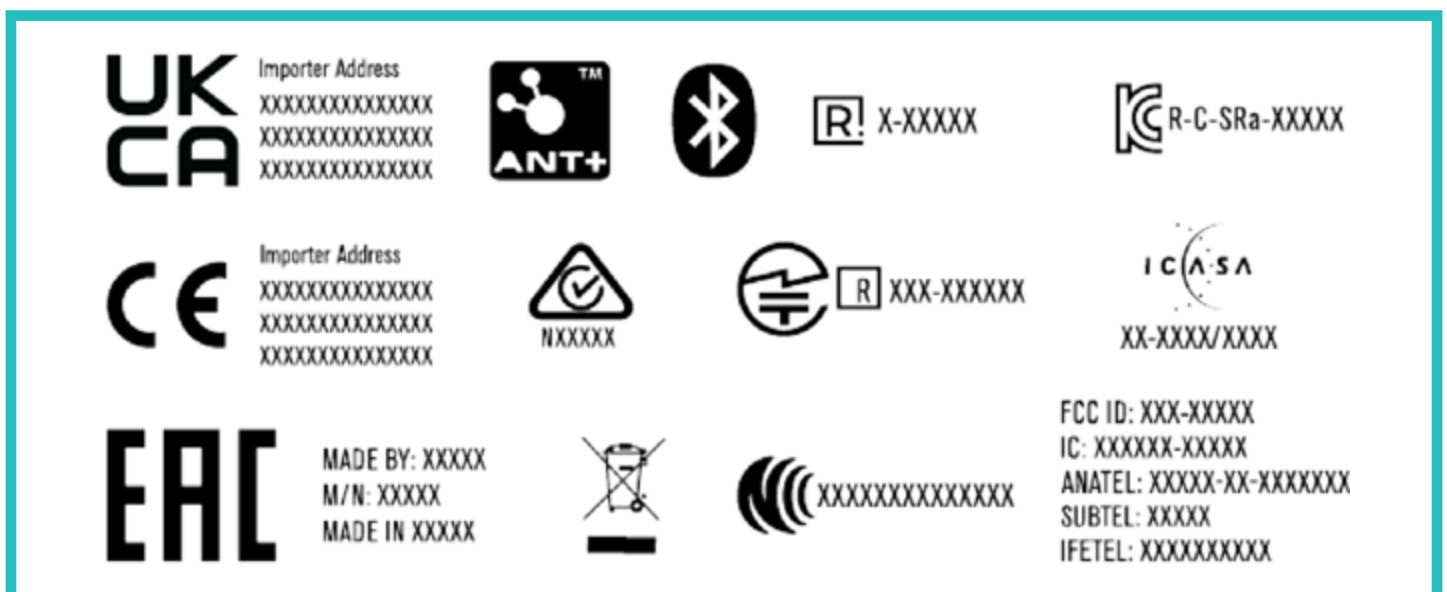
In most cases, the space to put all the requirements on labels is limited, especially for instance when it comes to spare parts.

As bicycle and cycle component manufacturers continue to improve and innovate their products to keep elevating the cycling experience, they are often faced with decisions that lead to compromising the product look, feel and dimensions in order to include required labels and certification marks.

An example of some of the marks required for global battery manufacturer is below:



An example of some of the marks required for wireless component manufacturers is below:



Based on the copious amount of required information that must be visible on the product and the size of flat surface that is needed to accommodate it, it is not uncommon for manufacturers to forgo a good design idea and pass on such considerations as using less polymers/carbon to make product lighter or more sustainable, in order to ensure there is enough flat surface to accommodate all the certifications marks.

So, who is this for?

As stated in EU and global regulations, it is a requirement to give certification information to the user with the intention of it being permanently available from the moment of purchase. However, it has been observed that if the certification marks affect product appearance of high-end, high-priced products such as bicycles and cycle components, the user removes all the stickers, covers all the marks with paint or electric tape, which not only defeats the purpose of providing the information, in some instances, it could also make the product unsafe.

Product packaging environments face a very similar issues with information being required to be printed on the box, included as printouts and in some cases attached as aesthetically unappealing, environmentally not sustainable adhesive stickers. Although manufacturers have been attempting to transition to more sustainable packaging, requirements that call for inclusion of user manuals printed in multiple language or printouts with URLs that point the user to a digital version of the same manual, printed quick start guides if the full user manual is only available online, battery safety handling instructions and much more, have been preventing manufacturers from making a meaningful shift in packaging sustainability. It is unreasonable to assume that the user keeps the printouts or the box. It is also unreasonable to assume that the user is not expecting to find whatever product information they may need online, which brings us back to the question: “Who is this for?”

A path towards a more sustainable future

A path forward for both product packaging and product labelling should be towards a more sustainable future. E-labelling would eliminate the need for wasteful printouts and high-end bicycles that have more labels than NASCAR vehicles. Most, if not all, of the currently required information can be made available to the user via a single QR code, robustly and indelibly printed on a product. By scanning a QR code, the user would be able to have the most thorough and up-to-date, immediately available information user manuals in all languages, health and safety warnings, installation and care instructions about the product. The same mechanism can also be adapted for recycling facilities to have information about the product at the end of life.





For the authorities: quick identification of product issues and verification of legal compliance

Additionally, the use of digitization will ease local authorities and administrative daily work allowing them to efficiently and rapidly check that products on the market are fully compliant with all legal requirements, meet consumer promises, and quickly access relevant information in the case of product issues (e.g., recalls for failure). Regulations change, products are updated, instructions need to be clarified and errors need to be rectified (e.g., a t-shirt with the incorrect percentage for fiber composition, language wrongly translated, etc.). Digital labelling will facilitate addressing these complexities – decreasing the risk of discrepancies and lowering the risk that the information provided will not be accurate or up to date.



For the environment: reducing impact of physical labels/packaging/manuals

Finally, with regards to the natural environment, digitization of product information will allow the reduction and/or elimination of tags and labels, thus, minimizing material and natural resource usage and waste. In March 2020, The European Commission adopted the new circular economy action plan (CEAP), which, among others, aims at “mobilizing the potential of digitalization of product information, including solutions such as digital passports, tagging and watermarks”. In addition, as part of the Sustainable Product Initiative (SPI), the Commission is working on introducing the EU Digital Product Passport, which will be a structured collection of product-related data with predefined scope and agreed data ownership conveyed through a unique identifier. There are multiple initiatives at the European level, which recognize the potential benefits of digitization of product information and show that adopting digital means of conveying product information whenever possible is key to moving towards a more circular and greener economy.

Moving to digitized labeling would decrease waste and material usage throughout the supply chain, including the elimination of:

- 1** Raw materials which are traditionally used to produce physical labels, such as polyester or nylon;
- 2** Resources for the manufacturing of labels and tags, such as the water consumption and the energy;
- 3** The logistics around these labels leading to the reduction of carbon footprints;
- 4** And finally, the post-consumer waste when the labels and/or tags are being disposed of, after the product is purchased.

To illustrate this point, it may be worth mentioning that to comply with labelling country specifics and ever-changing regulations, it is not rare that companies have to ship their products to another place or country to relabel their products and make them compliant. Manufacturers are unable to ship products directly to the appropriate country, which is a very unsustainable way to trade, from a logistical and transportation perspective, and contradictory to the free movement of goods. In the same way and due to these perpetual evolving labelling regulations, leftovers from the previous production batches cannot be used and have to be destroyed causing an even higher environmental impact.

When making a purchasing decision it is vital that all relevant and legally required information is accessible to the consumers. In store, this information is available on a display, yet not on each individual consumer unit. Brands / retailers selling online will ensure that this information is readily accessible. For those brands / retailers that sell products either in physical stores and online (multi- channel / omni-channel retailers) will ensure that both are covered (information in store and on website). On the actual product a QR code, directly printed inside the product, could grant access to all relevant and legally required information.

In the recent EU proposal of regulation to replace the EU Machinery Directive 2006/42/EC, Section 1.7.4 of Annex III states: "The instructions may be provided in a digital format. However, upon purchaser's request at the time of the purchase of the machinery product, the instructions shall be provided in paper format free of charge. When the instructions are provided in digital format, the manufacturer shall: (a) mark on the machinery product and in an accompanying paper explain how to access the digital instructions." In the same way, the EU considers a revised Toy Safety Directive 2009/48/EC, which would include digital labelling chemical composition and of compliance documentation by the end of 2022, and a new Batteries Regulation (2006/66/EC), which would require a QR Code, containing chemical symbols and separate collection information in 2023. The EU also plans to review and revise the Textile Labelling Regulation (1007-2011) in 2023 where part of the information could be digitized. Similarly, several countries across the globe such as Mexico, Algeria, Australia, United States, South Korea, Thailand, Taiwan, Vietnam have started to adopt similar approaches towards digitization of product information.

These are examples illustrating that switching to digital technologies to provide product information whenever possible is already on the agenda of legislative institutions and bodies in the EU and/rest of the world and is a trend that is likely to stay. In the light of all these arguments, our industry is convinced that a label-less future is the right direction, for the benefit of all.

We call on the authorities to adapt the labeling regulatory framework to offer new possibilities to convey product information with the support of the technological advancements of the 21st century.



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WFSGI is an independent not-for-profit association with over 280 direct members and 5,000 indirect members and the largest names in the industry - collectively representing 70% of global industry turnover (USD 498 billion). WFSGI was founded in 1978 with a mandate to unite and serve sports and sports-inspired leisure brands, manufacturers, suppliers, retailers, national/regional federations, industry and trade associations and all sporting goods industry related businesses.