



The Future of the Luxury Industry: *LUXFi bold play via Blockchain and NFTs*

2021 has seen the rise of creative trends in the global crypto and blockchain space. Never in time has there been a more bullish run in terms of adoption of digital decentralised assets--which in a sense is likened to the great gold rush of the 1800s. This global shift also coincides with a great global economic dip triggered by a pandemic. With this, the global perception of trust or value for fiscal policy and economy has waned in favor of an immutable and trustless system to carry out economic activities.

NFTs or Non-fungible tokens as popularly coined have taken centre stage as a tool for positive disruption with several conventional industries taking steps towards full adoption. According to Forbes, NFTs operate on the [uniqueness of the assets in the eyes of the collector to drive up the value](#). Economic theories portray human desires as unlimited; and describes Veblen or luxury goods as one where demand is attached to more than proportionate the value placed on it by the consumer regardless of income. The similarities in the operating theories highlighted has brought in existence this no-brainer play by **LUXFi** to cement the longevity of the luxury industry.

LUXFi has a simple but elaborate mission of “[bridging the gap between real-world luxury assets and defi powered by NFT](#)”. This bold play is to the moves by some of the biggest luxury brands like LVMH, Prada, and a subdivision of the Richemont group - Cartier plotting their entrance into the blockchain scene [with the launch of the world’s first global luxury blockchain via Aura](#). However, this move is largely limited to their private use and remains largely inoperable on open trading platforms. This issue emerges as a result of the inability to determine the authenticity of the asset being minted into the blockchain as a product of sharp practices like double minting. Another dimension to the innovation by NFT in the luxury industry is; Iccaps take on utilizing NFT as an [IOU for physical luxury liquid assets in a virtual marketplace](#).

In the two scenarios highlighted, **LUXFi** offerings would enable them to act in various capacities - namely; being an authenticator, and a facilitator. In its capacity as an authenticator, **LUXFi** is making use of big data, traceability algorithms, and improved data collection systems on a layer-2 blockchain network to curtail counterfeiting on luxury items. Some of the benefits of this tech stack includes; allowing for the creation of unique product fingerprint information which is exchanged on the blockchain, and enables the use of unique market prediction tools that farms real word data from varied sources to display market related trends. This role is vital to increased adoption of NFT, as the luxury industry pumps massive sums to combat this issue with examples from [the effort by Luis Vuitton and Dior in 2019](#). In addition, it relies on the partnership with the global ecosystem of luxury brands and accredited retailers as an added level of authentication.

Since the NFT space doesn't operate on regular financial instruments, **LUXFi's role** as a facilitator is anchored on the provision of DeFi (Decentralised Finance) services on the blockchain. It performs this function powered by the launch of its digital token \$LXF which caters to the needs of various groups ranging from: [brands, retailers, NFT borrowers/lenders, and the product owner](#). The diverse usage of this token can not be overemphasized, as luxury brands are expanding beyond conventional use into minting lines of digital collectibles and tokenized garments. In application, the LTX token has some notable uses for brand customer retention programs like - rebates, tiered membership, referrals and giveaways. It is also applicable for use in traditional DeFi activities like insurance staking, collateralized loan interest deduction and payment of trading fees.

In the long run, this play by LUXFi is right on track to fulfilling its 2022; Q2 goal of full NFT partnership with its team of prominent advisors in the crypto and luxury space. According to its plans on the IDO listing by Q3 2021, the project would stamp its place as one the forebears of innovation and trendsetting in the luxury industry.