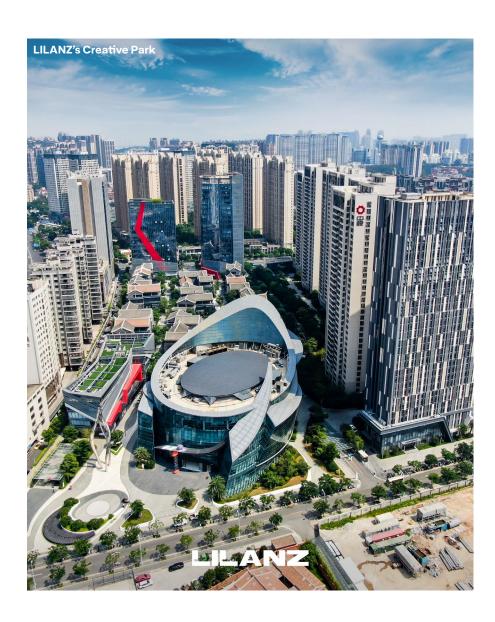


LILANZ利郎

Avery Dennison helps LILANZ pioneer innovation, deepen digital transformation and accelerate business expansion

Avery Dennison Solutions Group APAC April 2023





Introduction of LILANZ

LILANZ, a minimalist menswear brand, was founded in 1987 and has grown into a well-known menswear brand with annual revenues of over RMB 3 billion, integrating research and development, design, production and marketing. Throughout its 35-year development history, LILANZ pioneers with a unique design philosophy of "LESS IS MORE" and the brand vision of pursuing originality. The company is well known for their innovative business casual menswear. One of the biggest factors that distinguish LILANZ from other fashion brands is their commitment to innovation and brand improvement, as well as dedication to exceptional quality and unique design leading the mass fashion trend.

Partnership between LILANZ and Avery Dennison

Avery Dennison's relationship with LILANZ began in 2016, collaborating with them on a vast range of initiatives. Whatever the problem, we were there to help them find the right solutions – from providing them with our high-quality products, such as Embelex™ for full product ranges, to implementing In-Plant Printing Solutions, RFID technology and 3D labels digital sampling. We helped solve problems, accelerate innovation and improve supply chain efficiency. We have always been a trusted partner to LILANZ, providing them with quality service, prompt response, and a comprehensive portfolio of apparel industry solutions. In doing this, we have been able to assist the company in addressing the changing market climate, adding value to the supply chain, and boosting business growth. Avery Dennison has earned LILANZ's complete recognition and trust throughout the course of our seven years partnership, and we will continue to work together to build on mutual success.





How could Embelex™ elevate LILANZ's outdoor "Water Repellent Down" collection?

Market Challenges:

Today, consumers' requirements for winter down jackets go beyond the primary function of warmth, but also consider multiple scenarios such as smart casual outfits for business purposes as well as personalized styling for leisure and travel, which demand higher functionality and practicality of down jackets.

Solutions:

In order to create this ultimate down jacket, together with the DownTek PFC-Free™ technology from HOPLUN, which ensures the warmth function of the down jacket against the cold winter while incorporating elasticity, comfort, and water resistance, LILANZ has also adopted Avery Dennison's Embelex™ silicon-based heat transfer labels meeting consumers' needs for personalized and customized designs.

Results:

- The Embelex™ silicone-based heat transfer label is a halo-free product with superior edge-toedge dye blocking performance that enhances a clean edge finish.
- With a lightweight drape, soft silicone tactile touch and matte finish, this innovative solution helps elevate LILANZ branding.
- Overall, it meets the consumers' needs for personalized and customized designs of business attributes with outdoor elements of flexibility, comfort and water-resistance.

Ms. Shi Meiya (施美芽), LILANZ's director of production, praised our Embelex™ on-product branding solutions, saying.

"The originality is deeply rooted in the brand spirit of LILANZ. Avery Dennison's heat transfer labels have been applied on LILANZ's entire range of apparel and footwear products. The company's innovation in embellishments has successfully enhanced the original, personalized, and creative design concepts of LILANZ."

Ms. Shi further said,

"We are planning to upgrade our brand image this year and believe that Avery Dennison will continue to assist LILANZ along the journey to provide end-to-end branding solutions and quickly respond to our various needs."







How could RFID solutions empower LILANZ Logistics Park and regional warehouses to quickly and accurately circulate goods, interconnect data, and eliminate information silos?

Market Challenges:

In the era of brand consumption, consumers' trust in the brand is a prerequisite for purchasing goods. The falsification of goods easily leads to price confusion and marketing channel obstruction, which makes the brand image damaged and the business strategy of the enterprise obstructed. Applying RFID technology to solve the falsification problem in order to enhance the visibility and traceability of product information is also the original intention of LILANZ to deploy RFID solution in 2010.

Solutions:

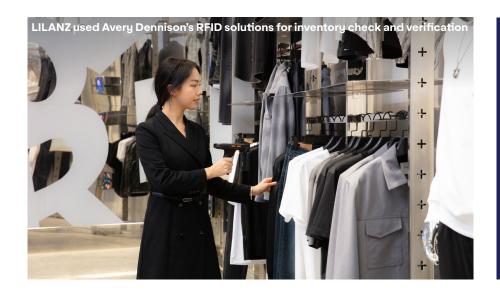
LILANZ was one of the first inventive companies to pioneer the adoption of RFID in the anti-channel conflict application and Avery Dennison is deeply involved along the journey to drive LILANZ's digital transformation. In 2022, Avery Dennison became the designated supplier of LILANZ in RFID. With the completion of LILANZ's new logistic park, Avery Dennison helps LILANZ to further strengthen the full application process of RFID in inventory and supply chain management.

Results:

- RFID achieves automated identification and batch management without line of sight, allowing for speedy and accurate distribution and inspection process.
- Shorten transportation lead time and boost inventory turnover rate significantly.
- Product warehousing speeds exceed 0.8 meters per second, with an average of 40–60 pieces per box, replacing earlier manual piece-by-piece scanning and warehousing, considerably improving work efficiency.
- The number of warehouse staff has decreased from more than 90 to approximately 80; manual operation errors have been eliminated; and unmanned management is gradually becoming a reality.
- Meanwhile, the stock-taking effort has been decreased by up to 95% while boosting accuracy to more than 98%. Previously,

- stock-taking was done only once a month; now, it can be carried out weekly. It also avoids excessive waste on the manufacturing side with the correct inventory.
- A solid data exchange system also assists LILANZ in making informed decisions and accelerating high-quality and sustainable development.

Accurate inventory is the cornerstone of omni-channel marketing, with LILANZ's ongoing investment in research and development and Avery Dennison's innovative technologies, LILANZ has effectively opened up the omni-channel business module, which has been proven to effectively uplift an enterprise's ESG rating and brand value. It also reduces its carbon footprint by streamlining supply chains, lowering energy use, and extending product life cycles. Avery Dennison and LILANZ are working together to demonstrate their commitment as major players in the apparel field in fostering a greener and more sustainable world.



Mr. Shi Pengfei (史鹏飞), senior marketing development manager at Avery Dennison, said,

"Digital ID is the bridge between the physical and the digital worlds. Avery Dennison, as the world's largest UHF RFID partner, has always adhered to innovation leadership, data empowerment, and helping brands to achieve digital transformation and upgrade. Avery Dennison's collaboration with LILANZ is bound to be a success!"



How could Avery Dennison's In-Plant Printing Solutions improve LILANZ's supply chain speed, flexibility, and resilience?

Market Challenges:

Shopify reports that 60% of consumers worldwide still expect same-day, next-day or two-day delivery. Therefore, retailers face significant challenges in meeting fast turnaround demands and dealing with production constraints. How to address supply chain challenges in a more efficient way is the key for the enterprises to succeed.

Solutions:

LILANZ has added seven production lines in the group's own plant and is actively seeking for more efficient supply chain management solutions to enhance its ability to deploy rapid replenishment of best-selling items, to accomplish fast small-batch production and to aid the development of e-commerce business. Avery Dennison's In-Plant Printing Solutions could meet LILANZ's needs for front-end and back-end capabilities to improve its supply chain speed, flexibility, and resilience, in order to achieve their goal of independent production.

Results:

- Quick and on-demand printing of garment labels with no minimum order quantity.
- Achieved rapid replenishment and shortened the overall delivery lead time of orders from 20-30 days to 10-15 days (a 50% increase in speed).
- Increased supply chain flexibility by 2% during the COVID-19 pandemic.



How could Avery Dennison's 3D labels and digital sampling accelerate LILANZ's product development process?

Market Challenges:

In the past, the product development process was complicated. The final product style required multiple sample prints, and waiting for physical samples to be generated in order to confirm design and fabric application resulted in long wait times, unnecessary material and cost wastage of up to 50 percent. Plus, it took up a lot of warehouse storage space.

Solutions:

LILANZ has applied Avery Dennison's 3D label samples to complement its 3D design digital solution that is being piloted, enabling an integrated collaborative platform to preview the effects of sample clothing, match LILANZ's fabric options, streamline the product development process, and aim to bring the following benefits.

Results:

- Shortened the design cycle from 3-5 days to within 3 hours
- Enhanced speed to market
- Physical sample reduction of 50% and reduced sampling costs



Digital transformation is one of the long term key strategies of LILANZ, which is the core and basis for ongoing product and operational improvements and it necessitates powerful computing power, cutting-edge technology, and sophisticated equipment. Avery Dennison and LILANZ have continuously explored new technologies and applications. Mr. Guan Haiwen (官海文), LILANZ chief information officer, said,

"LILANZ is still fine-tuning its own data foundation and optimizing internal processes. Because there is no off-the-shelf technology on the market that LILANZ can implement immediately, we look forward to collaborating with Avery Dennison to continue the digitalization journey that began with the data of textiles and trims. We can collectively establish a new landscape for the apparel sector by embracing digitalization and technological innovation."

Looking into the future



Finally, Mr. Zhang Qiqiang (张其强), senior regional sales manager of Avery Dennison, shared his insights on the digitalization of the apparel industry:

"For more than 20 years, Avery
Dennison has been devoted to offering
tailored solutions for apparel retail
brands in China. We are well aware of
the pain points and challenges caused
by various digital transformations that
companies are facing today. We believe
that by providing comprehensive
apparel industry solutions, we will be
able to assist LILANZ in elevating their
brand value, optimizing the supply
chain efficiency, and supporting
their business growth to cope with
the dynamic market changes for a
sustainable win-win partnership."

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