

From product authentication solutions to  
logistics distribution management services

 **Hidden Tag®**

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Logistics management &  
Distribution tracking service proposal

# Index

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- Market Status
- Strengths of HiddenTag distribution management
- Recommended services by cases
- Customized landing page service
- Monitoring service
- Introduction effect
- Competitiveness of possessed technology
- Reference
- How to reach us

# Market Status

The seriousness of illegal distribution

Storyboard18

DCGI seeks information on cosmetics consignment to prevent sale of fake products

DCGI has asked for information on the number of consignment imports, cost of imported cosmetics, etc.

FDA Food and Drug Administration (.gov)

## FDA Warns Online Retailers for Selling Cigarettes

FDA issues warning letters to five online retailers. These warning letters cite the sale of disposable

### 'Grey market' set to boom

The UK's over-45s make up an increasingly affluent sector whose taste for...  
7 August 2000 · News · Business



CBS News

<https://www.cbsnews.com> > ... > Local News

## How Do Illegal Beauty Products

21 nov 2019 — How Do Illegal Beauty Products to injectable products, access to the illegal m

ANTARA News

## Bandung BPOM seizes thousands of illegal cosmetic products

The Bandung Food and Drug Supervisory Agency (BPOM) has seized nearly four thousand illegal cosmetics without distribution permits and...



BBC

<https://www.bbc.com> > news > world-africa-45605309

## On the trail of Uganda's illegal 'beauty-cream' smugglers

26 set 2018 — On the trail of Uganda's illegal 'beauty-cream' smugglers. 2 the products from getting into the market. And we prosecute ...

Pharmacy Scanner

## EU Court: the distributor can purchase from the only if authorized for wholesale sales

The European Code on medicinal products for human use (i.e. Directive) allows distributors of the drug to purchase from...

GreyScout

<https://greyscout.com> · Blogs · Grey Market

## Grey Market Threats: Product Diversion

In most cases of product diversion, an unauthorized retailer will reach out to an authorized distributor of a product to purchase items in bulk to sell on e-



# Market Status

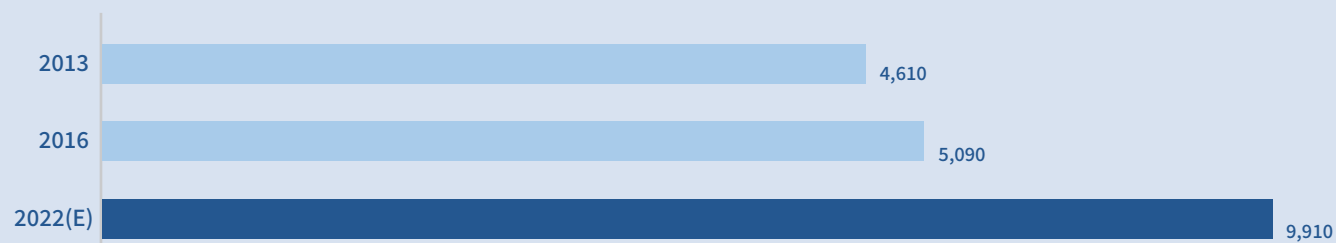
Increased damage due to illegal distribution

**Illegal copying** is rampant around the world, **damage from illegal distribution is increasing**, HiddenTag solution is needed.

## War against illegal distribution



### Trends in the size of trade in illegal copies (Unit: billion dollars)

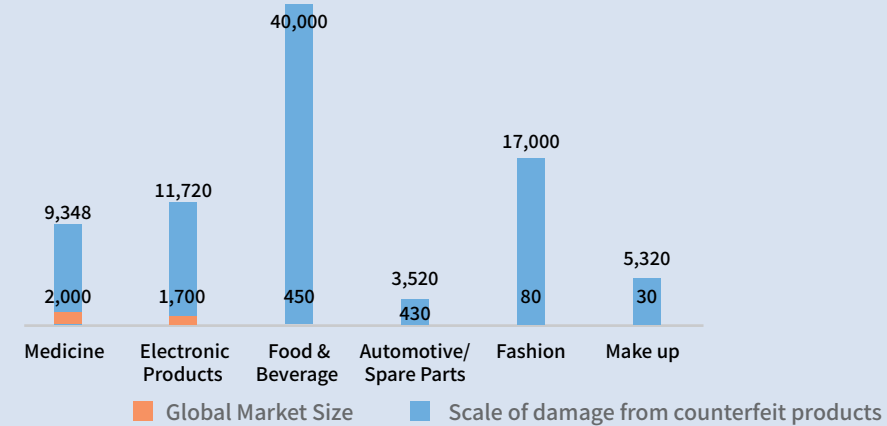


(Source : Trends in Trade in Counterfeit and Pirated Goods, 2019)  
1 major) 2022(E) estimate

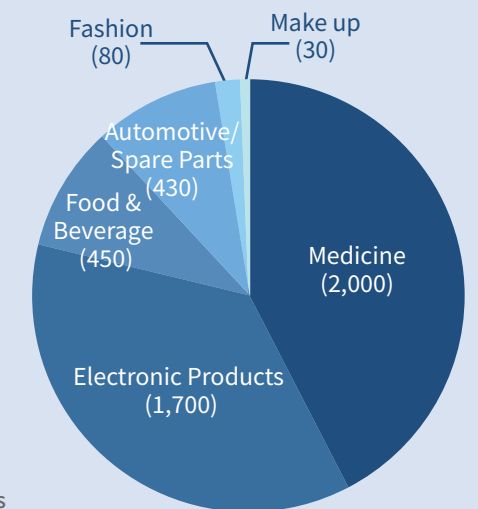
## Various statistics on illegal distribution

### Damage incurred by industry (Unit: billion dollars)

“Damages occur in various industries such as medicine, home appliances, food, and cosmetics.”



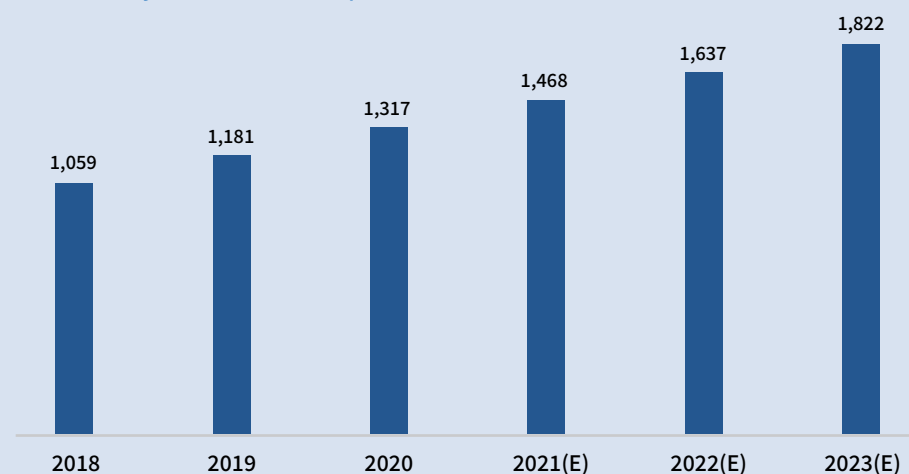
(Source : Frontier economy, 2017)



### Total illegal distribution market size (Unit: billion dollars)

“Illegal distribution market size increases by 70.3% in 2023 compared to 2018”

**CAGR 11.46% increase**



(Source : Markets and Markets Analysis, 2019)

# Why choose a HiddenTag solution?



- ✓ It is necessary to manage individual product distribution information
- ✓ A logistics system such as entry/exit management and inventory management is necessary.
- ✓ Monitoring of product sales trends and inventory quantity is necessary.
- ✓ Scanning information is needed from distributors (vendors) to end consumers.
- ✓ Want to use a logistics ERP system at a reasonable price.
- ✓ Market prices are collapsing and want to correct the distribution order.
- ✓ Want to know where the problem occurs among the numerous vendors (distributors).



# Strengths of HiddenTag distribution management

## General distribution management

All product barcodes are the same so **cannot be tracked**

Manufacturer



General barcode delivery



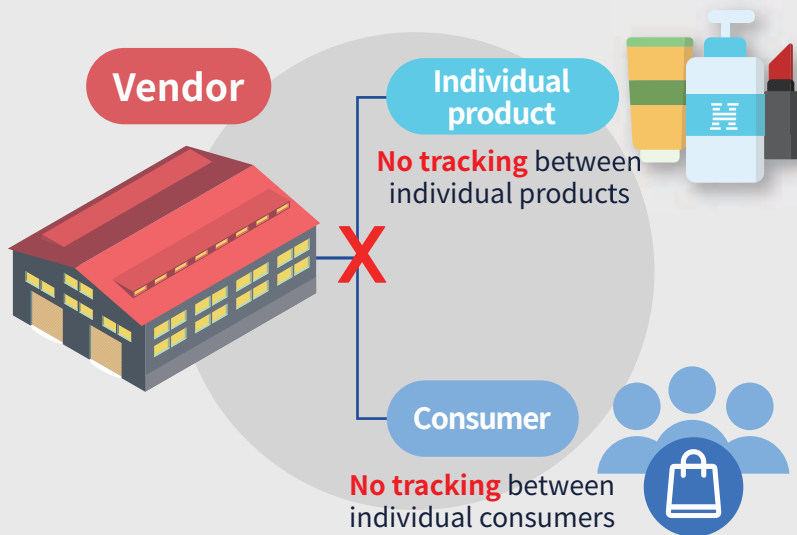
Vendor

Individual product

No tracking between individual products

Consumer

No tracking between individual consumers



## HiddenTag distribution management

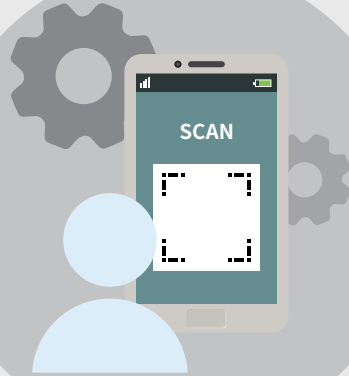
With just one HiddenTag number for each product, **understand the distribution flow** from manufacturing to consumers at once.

Manufacturer



Deliver products with HiddenTag labels via **smartphones**

Consumers



Consumers **can check** distribution history along with product authentication

Product info + distribution channel info + consumer info + IQR unique info

Sales store



Individual stocking and shipping **possible** through HiddenTag scanning

Vendor

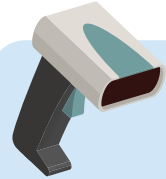
Individual product

Bulk delivery **possible** via HiddenTag scan



# Strengths of HiddenTag distribution management

## General distribution management



Shipped with a general barcode using a **scanner**

**No tracking** between vendors and individual products

**No tracking** between vendors and stores

**NO** distribution channel info record

All product barcodes are the same, making it **impossible** to identify individual products

# VS

**Incoming/outgoing scanning method**

**Vendor**

**Sales store**

**Consumer**

**Characteristic**

## HiddenTag distribution management



Product arrival and departure using **smartphones**

**Traceability** between vendor companies and individual products

**Possible** to identify product/distribution channel/IQR unique information

Distribution flow **can be identified** through consumer scanning activities

Each product is given a unique number for easy tracking and distribution channels **can be identified** at a glance.

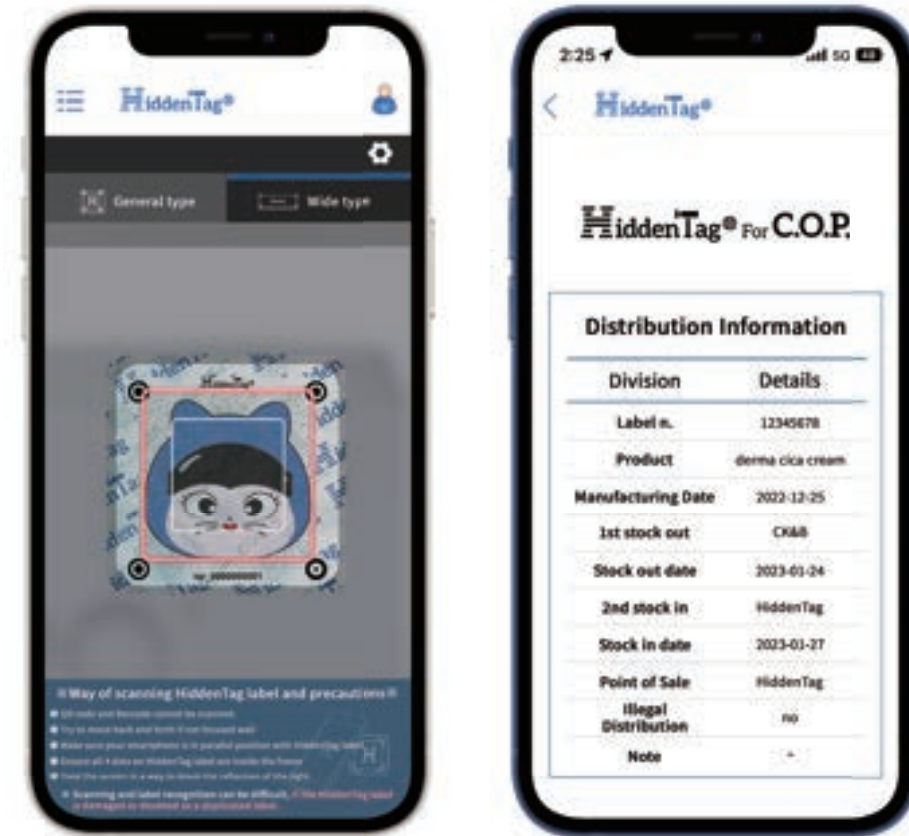
# Strengths of HiddenTag distribution management

## KEY POINT



### No need to purchase hardware

- Easily managed with a tablet or smartphone
- Can be quickly introduced to all vendors
- Cost reduction possible



### Expansion of Consumer Role

- Final consumers participate in the distribution process, making it easy to understand the distribution flow of exported products
- Consumers can check authenticity and product distribution information through the landing page



# Recommended services by cases

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- **CASE 1.**
  - 1:1 combination of HiddenTag and barcode
- **CASE 2.**
  - Combination of “N” HiddenTags and barcode
- **CASE 3.**
  - Aggregation barcode issuance type
- **CASE 4.**
  - Master label (bundle label)

# CASE 1.

1:1 combination of HiddenTag and barcode

## CASE 1 Recommended Company

- Want to use more than one device to prevent label damage as much as possible.
- Want to quickly enter the necessary information for each product and easily edit it later.
- Switching is difficult because barcodes have been used previously or barcode use has been stabilized, but distribution tracking is necessary.



IQR Number (Label management n.)	iqr_0000000001
Barcode Number	0000000001



IQR Number (Label management n.)	iqr_0000000002
Barcode Number	0000000002



IQR Number (Label management n.)	iqr_0000000003
Barcode Number	0000000003



IQR Number (Label management n.)	iqr_0000000004
Barcode Number	0000000004



HiddenTag® For C.O.P.	
Distribution Information	
Division	Details
Label n.	12345678
Product	denma cica cream
Manufacturing Date	2022-12-25
1st stock out	CK&B
Stock out date	2023-01-24
2nd stock in	HiddenTag
Stock in date	2023-01-27
Point of Sale	HiddenTag
Illegal Distribution	no
Note	-

- Individual product management via barcode scan information
- Barcode scan and HiddenTag distribution information can be linked
- Can be used in conjunction with product stocking and shipping program

# CASE 1.

1:1 combination of HiddenTag and barcode

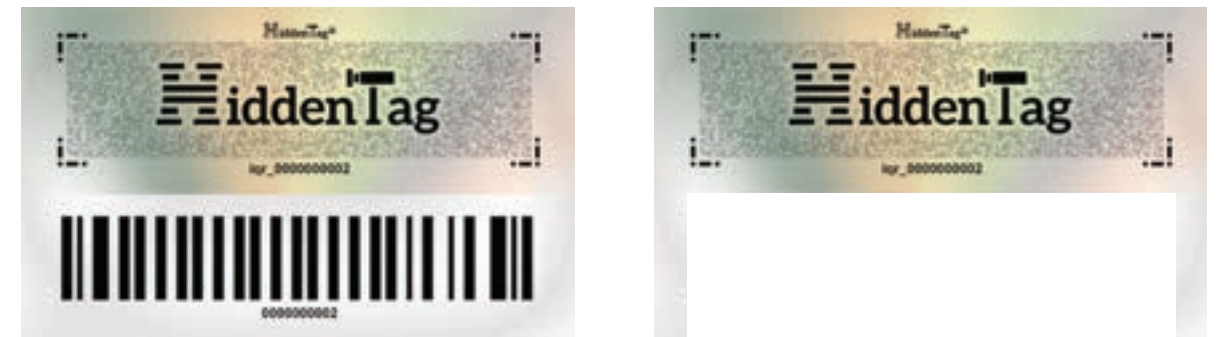
## < Actual inquiry screen about customer damaged label >

Q "The product price is too cheap. Is it genuine?"



A "Our company sells only 100% authentic products purchased from our head office, and they are identical to the products sold online and offline. Therefore, the product barcode that proves that it is genuine is also displayed, so you can purchase with confidence. However, as we supply products at low prices with minimal margins, there are many restrictions and serial codes have been removed to ensure smooth supply, so please keep this in mind when purchasing. Thank you."

## < Traceability in case of label damage >



- To prevent distribution tracking, in case of damaged barcode, the seller can be tracked using HiddenTag.
- Able to meet consumers' genuine needs
- Easy to arrest illegal sellers and manage goods

# CASE 2.

## Combination of “N” HiddenTag and barcode

### CASE 2 Recommended Companies

- Companies that use barcode labels only on existing logistics packaging boxes
- The quantity of products in a box is fixed, and individual management is required by attaching HiddenTag to the products.
- Incoming and outgoing shipments are managed manually using Excel, but errors and management accuracy are lacking.
- Want to use the HiddenTag Light version.



- Produced by matching “N” HiddenTags and 1 EA barcode
- HiddenTag label quantity and form can be changed
- Can be provided in CSV file format suitable for barcode management

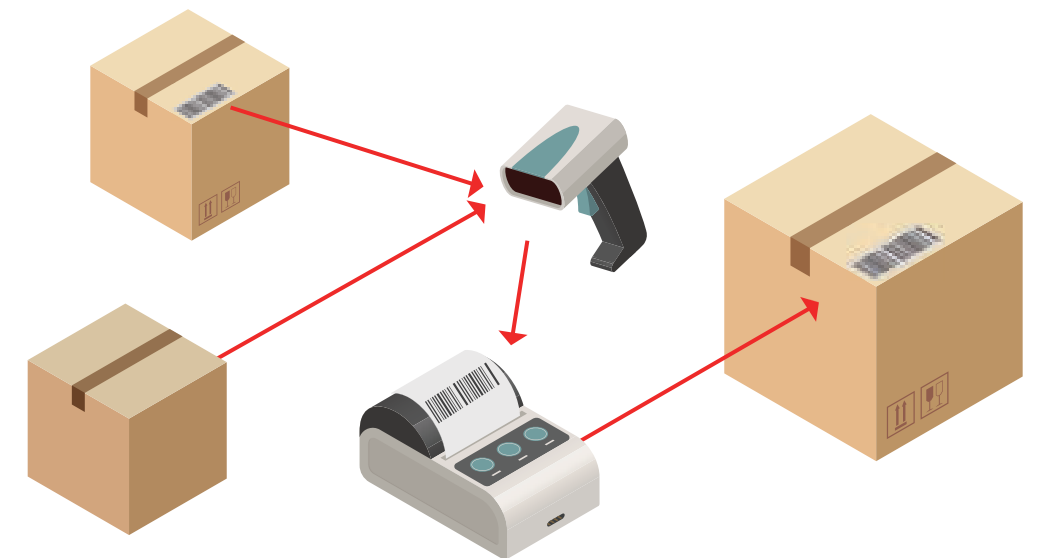
CSV file ex.	
Barcode n.	HiddenTag IQR
000000001	123456
000000001	123457
000000001	123458
000000001	123459
000000001	123460
000000001	123461
000000001	123462
000000001	123463
000000001	123464
000000001	123465
000000001	123466
000000001	123467
000000001	123468
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
000000002	123516
000000002	123517

## CASE 3.

### Issuance of aggregation barcode according to packaging stage

#### CASE 3 Recommended Companies

- We have our own manufacturer, and line facilities such as existing barcode fixed scanners have been built and are in operation.
- After scanning a certain quantity of barcode labels, it is necessary to automatically issue bundled barcode labels
- Fast product arrival/delivery processing and quantity management are required.



#### ① Scan barcode

- Scan the individual code attached to the product
- Scanned individual code information + certain quantity measurement

#### ② Issuance of aggregation code

- Primary aggregation through scanned information
- Check the contents of the box through the corresponding barcode

#### ③ Outbox/Set

- Scan codes on medium boxes containing individual products
- Generation and attachment of secondary aggregation code



# CASE 4.

Master label (representative code)

## CASE 4 Recommended Companies

- Want to manage it easily with just my smartphone, without barcodes. (Cost reduction)
- Used an existing barcode, but want to manage it simply and easily using my smartphone.
- Want to manage quickly and efficiently through box-by-box scanning during stocking and shipping.

## EX) M label designation for 20 HiddenTags



After designating the M label, attach it to the out box.



## <What is the M label?>

- Master label representing sub-products after section designation = M label
- By attaching it to an outbox and shipping it out, it is possible to quickly manage the arrival and departure of goods.
- Synchronize M label scan history with sub-labels (individual scan required)
- Manage receipts and shipments and check scan history information

# Distribution management service

Landing page for administrator/consumer use

## Scan HiddenTag



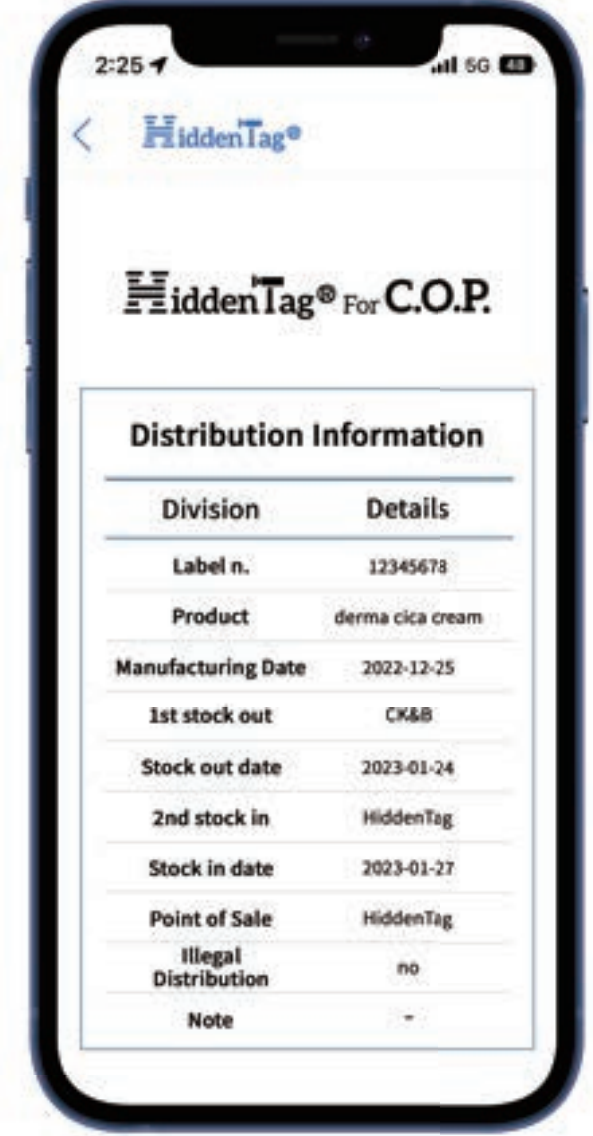
## Check authenticity



## Distribution Management Login (can be omitted)



## Check distribution information



- After recognizing the HiddenTag of the product, click the hidden link
- Backtracking possible to manufacturer/seller/country, etc.

- Check the distribution info registered before shipment via app scan
- Consumers check the distribution channels in the landing page



# Distribution management service

Customized landing pages for each issue

Management of sales outlets, including non-sale items



Identify resellers and non-sale sellers for undistributed or not-for-sale products.

Product distribution management by country



Prevent product outflow to other countries and price blur via country filtering

Distribution channel can be checked



When scanning labels, consumers identify the distribution channel of purchased products

# Logistics management service

Real-time monitoring of product flow

ALL 
  Return 
 2023-12-08 
 2023-12-28 
 ALL 
 Detection status 
 Search Options 
 Search

Registered code : 368 / Stock out : 199 / Not stocked out : 169 / Stock in : 196

**Product status**

View by vendor

## label list Number of scans per product

n.	code	label n.	number of recognitions
1	8567158932	-	0

## Incoming and outgoing history

n.	Company name	Stocking in time	Stocking out date	Delivery target company	Return date	Return destination
1	CKNB		2022-11-25 15:23:04	CKNB		
2	HIDENTAG	2022-11-25 18:23:04				

## Incoming and outgoing management



## Distribution flow details

### Detection history

n.	Label n.	Nation	Region	Address	Detection time	Terminal	Status
1	724433243	South Korea	Seoul	5, Seongsuil-ro 8-gil, Seongdong-gu, Seoul, Republic of Korea	2023-12-15 14:51:01	IOS 150DOC***	Normal

# Logistics management service

Search products suspected of being illegally distributed

All  return 2023-12-08 2023-12-28 all unregistered sales countries search options search

Registered code : 368 / Stock out : 199 / Not stocked out : 169 / Stock in : 196

View by vendor

## Distribution management

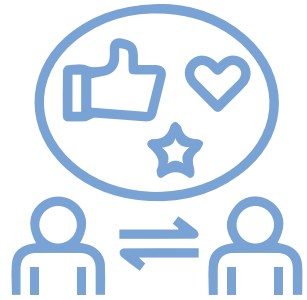
view 10 items

<input type="checkbox"/>	n.	Unauthorized distribution	Main barcode n.	Product barcode n.	Product label n.	Product n.	Product name	Country of sale	Production date	Note	Stock out date	Delivery target company	First stock in date	Last stock in date	Return date	Return destination
<input type="checkbox"/>	6	!	-	8563210582	Label number for each product	A-15	new product 001	Japan	2023.11.17		2023.11.27	1st vendor	2023.11.27	2023.11.27	-	-
<input type="checkbox"/>	5	!	-	8563210582	Label number for each product	A-15	new product 001	Japan	2023.11.17		2023.11.27	1st vendor	2023.11.27	2023.11.27	-	-
<input type="checkbox"/>	4	!	8563210589	8563210589	8563210588	A-15	new product 001	Japan	2023.11.17		2023.11.27	1st vendor	2023.11.27	2023.11.27	-	-
<input type="checkbox"/>	3	!	8563210589	8563210589	8563210585	A-15	new product 001	Japan	2023.11.17		2023.11.28	1st vendor	2023.11.28	2023.11.28	-	-
<input type="checkbox"/>	2	!	8563210589	8563210589	8563210581	A-15	new product 001	Japan	2023.11.17		2023.11.29	1st vendor	2023.11.29	2023.11.29	-	-
<input type="checkbox"/>	1	!	8563210589	8563210589	8563210586	A-15	new product 001	Japan	2023.11.17		2023.11.29	1st vendor	2023.11.29	2023.11.29	-	-

Alarm for products suspected of being illegally distributed



# Introduction effect



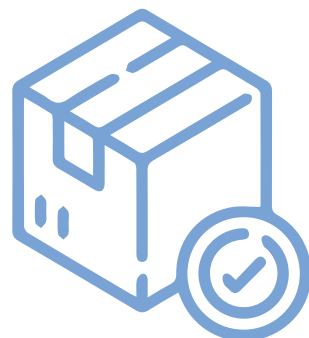
## Check product feedback

- Check product sales quantity by country
- Number of buyers in country and city can be determined
- Manufacturer/vendor product cycle can be identified



## Live monitoring

- Capable of identifying consumer feedback by product/country
- Distribution cycle/excellent sales area/abnormal vendor can be checked
- Check the status of registered codes and label numbers in real time



## Easy logistics management

- Incoming and outgoing processing/easy modification of product information
- Saves time and is convenient to share compared to manual management
- No preparation costs required even for small vendors



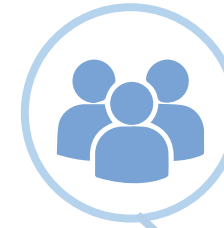
**Sales growth & increased reliability**

# Technology Competitiveness

Individual data given to the same design

**Impossible to distinguish with the naked eye**

Same image, hundreds of millions of individual data



**No. 1 in cumulative downloads/awareness**

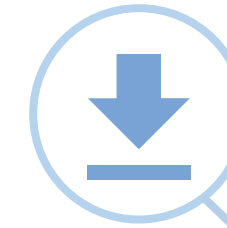
Application in the field of 'authentication solution'

**Language support**

Supports 7 major languages



**HiddenTag®**

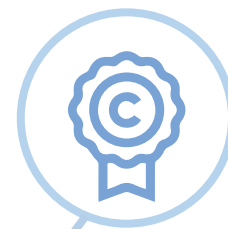


**Free app download**

Downloadable from main app markets worldwide

**Domestic/international certifications and patents**

Approximately 56 domestic/overseas



**Selected for 8 consecutive years**

Export Voucher Power Implementation Agency

# Reference



General Type

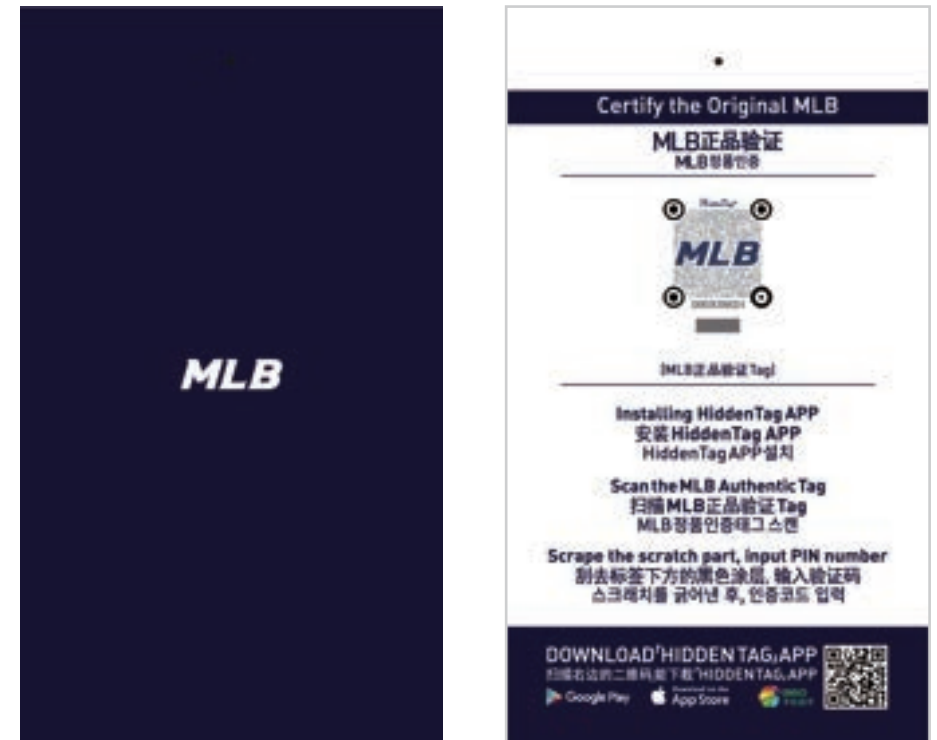


Seal Type



Special

Hang tag





# Unique in the industry with over 1,000 references

Hold the largest number of references in each field


# 1000

1,000 brands are using HiddenTag worldwide

# Take advantage of CK&B's logistics management & distribution tracking services.

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## CONTACT US

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HiddenTag Biz Homepage : [http://www.hiddentag.biz/index\\_EN.jsp](http://www.hiddentag.biz/index_EN.jsp)

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