The $100 Billion Fitting Problem
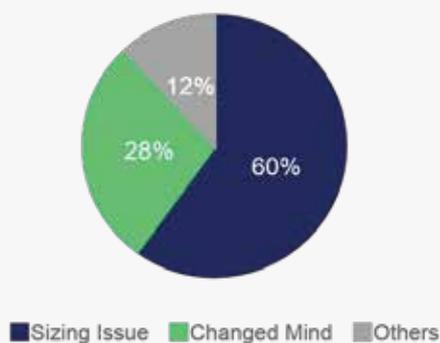
A RightFit Technologies Ltd. Whitepaper

The Hidden Cost of Sizing

The clothing retail industry has always been plagued with problems relating to sizing. Even before the issue was amplified through e-Commerce shopping, customers spent 5-8 minutes per shop in changing rooms – time they could have otherwise spent browsing for more purchases. However, as customers continue to flock to online shopping and brands continue to vary in size, the problem seems far from addressed.

Unfortunately the issue goes far beyond the disruption of the customer experience that every individual can clearly see. Behind the scenes, the fallacy of customers not knowing their size extends to lost sales, hefty business costs and a drastically adverse environmental impact. We look to expose these problems and thus explain the extent to which the correct fitting could transform the industry in its entirety to go beyond a better customer experience.

Let's start at the beginning...

To explain the underlying magnitude of the sizing problem, we can use the amount of returned clothing as an indicator. This does not entirely illustrate the annoyance of customers or the amount of lost sales, but gives us a pretty good idea of how drastic the problem is. For every piece of clothing ordered, around half of initial purchases are sent back. This can reach up to 70% in the premium clothing industry. There are many justifications for why the clothing is returned: the quality wasn't right or the color wasn't as expected. However, the predominant reason is that the clothing didn't fit correctly.

Reason for Clothing Returns

- 60% Sizing Issue
- 28% Changed Mind
- 12% Others

$533 billion	x	30%	x	60%	=	$96 Billion
Global Online Fashion Sales		Return Rate		Return due to fit		Return due to incorrect fit

To better demonstrate the immense value of clothing that is returned every year due to incorrect fitting, we can use these statistics to estimate the market value of goods returned due to incorrect fitting. With $533 billion online fashion sales with a conservative 30% return rate, approximately $96 billion worth of clothing is sent back due to sizing. This is exclusively generated in online sales, not accounting for in-store returns. Although this number shows us the extent to which incorrect sizing is damaging the industry, it is merely an indication of a greater underlying problem often not acknowledged by companies and consumers alike.

Lost sales due to wrong size

It is no secret that sales are lost due to incorrect sizing. After all, if someone has to return a product, there is a relatively high chance that the customer will simply accept the refund and refrain from making a further purchase. However, there is a vast quantity of lost sales even before the product is purchased. That is why the online industry driven by increasing conversion rates, which currently stands at a low 2% in the fashion sector. Interestingly enough, incorrect fitting, or the consumer's uncertainty regarding fitting, plays a major role here, making up approximately 35% of lost basket conversions. This shows that if the consumer is sure they will get the correct size – conversion rates will increase.

35% of lost basket conversions are due to customers' uncertainty regarding fitting

35%

of lost Basket Conversions are due to customers uncertainty regarding fitting

White Paper

RightFit Technologies Ltd.

Environmental Catastrophe

The fashion industry is the second most polluting industry in the world, just after oil. In 2014, 10 million tonnes of textiles ended in landfill, in the U.S. alone. And the recent growth of fast fashion does not help either. Although it is easy to turn a blind eye, it is very clear that something must be done. As each returned clothing results in 400g of emitted carbon dioxide, and sizing being such a huge reason, offsetting the fitting problem is one step in the right direction.

The RightFit Solution

Many people may have already heard of so called "smart mirrors" used in physical clothing stores. The customer stands in front of this mirrors and the high quality sensors can then recommend the correct size. It's either that, or the customers use traditional changing rooms. But this is clearly not possible in the world of online shopping, so we took it upon ourselves to solve this problem.

Over the last two years, our team has been diligently building technology that allows customers to effectively scan their body proportions, to recommend the right fit. The process takes a matter of minutes, and can be done from the comfort of your own home using just a smartphone. Sizes are automatically saved into the customers online shopping profile, dramatically reducing the probability of an ill-fitting product. The customer experience is digitally enhanced and the possibility of returns reduced - making RightFit the solution to this 100 billion dollar fitting problem. If you would like to integrate our technology into your online shop, please do email our sales team at hello@rightfit.ai and we would be delighted to assist you further!