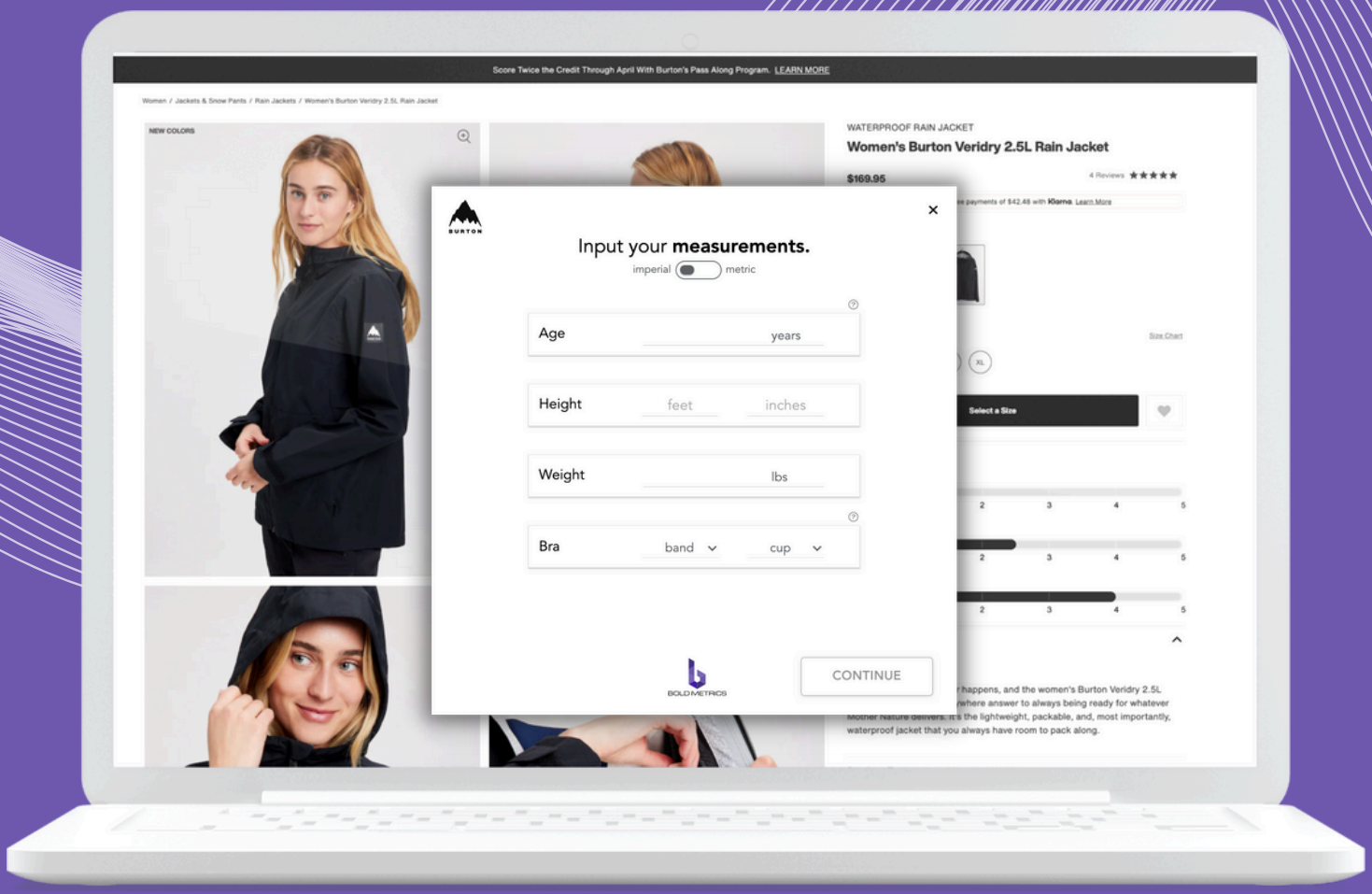
BOLD METRICS

BOLD METRICS REPORT

Conversion, Returns, and Personalization:

The Impact of AI Apparel Sizing Technology



INTRODUCTION

Executive summary

Sizing is crucial in the apparel industry's value chain, influencing each stage, from product creation to the customer. A data-backed approach to improving apparel fit and sizing can significantly enhance operational efficiency and customer satisfaction to impact overall profitability — while enabling brands to minimize returns and improve sustainability efforts.

Why AI sizing solutions?

Leveraging AI effectively, especially in optimizing apparel fit and sizing, goes beyond intelligent size recommendations. AI can empower brands to improve supply chains, create better product, personalize the shopper journey, and build a dedicated community of brand advocates. It should serve as a valuable guide for apparel brands looking to remain competitive, increase revenue, and create operational efficiencies across their organization.

THE CHANNEL APPROACH: ECOMMERCE

This approach establishes a definitive standard for how optimizing fit through AI affects crucial business metrics. It also accounts for the shopper's involvement across channels, as they seamlessly transition between channels for a unified and authentic shopping experience. To create a holistic shopping journey that aligns with their expectations, brands must meet shoppers consistently at every touchpoint and channel, staying on-brand and reflecting their preferences.

Conversion

AI-powered apparel sizing solutions can significantly impact conversion rates in a brand's eCommerce channel by addressing some of the most common challenges online shoppers face.

Personalize fit and sizing
By analyzing customer data, such as purchase history, returns, and style and fit preferences, AI solutions provide personalized size recommendations to ensure a better fit for the customer. By reducing the uncertainty associated with size selection, brands can increase the likelihood of purchasing.

Enhance customer confidence
Accurate sizing recommendations help customers feel more confident in their purchase decisions, reducing the fear of receiving apparel that doesn't fit and driving higher conversion.

Customer service
The online platform is a huge opportunity to alleviate confusion and create better online experiences through consumer reviews, ratings, influencer testimonials, live shopping, chat, and stylist assistance. Adding an AI sizing solution to augment these eCommerce tools facilitates the shopper journey and increases conversion.

Returns

AI-powered sizing solutions can significantly decrease return rates by providing accurate size recommendations, lowering the costs associated with reverse logistics, restocking, and potential loss of sales due to returned items.

Reduce bracketing
Online apparel retailers see a high bracketing rate of 58% due to sizing uncertainty[1], as shoppers need help finding the right fit online. Poor fit is also the primary driver behind apparel returns, accounting for 52% of online apparel returns.[2]

An accurate sizing solution that can automatically address individual customer sizing on a per-garment basis gives customers the confidence to select their best fit, removing the complexities around sizing when shopping for clothing online.

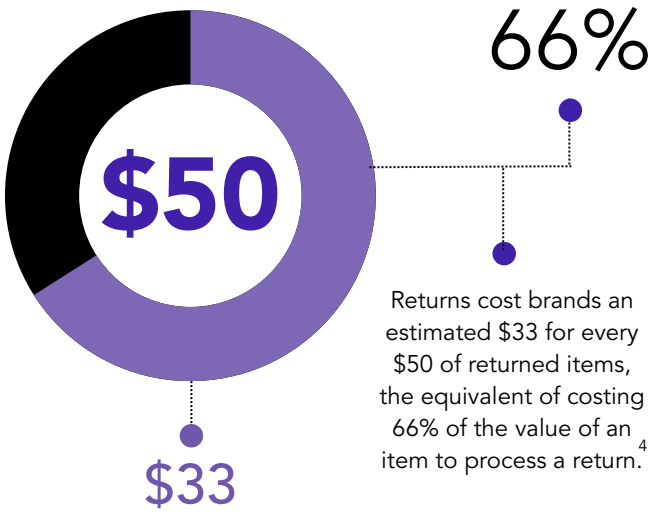
Operational costs and profitability
An apparel brand that invests in reducing returns by providing accurate product descriptions and a proven virtual sizing solution is likely to see lower return rates, resulting in reduced operational costs and improved profitability. For example, Men's Wearhouse leverages a Virtual Sizer solution to enhance its online tuxedo rental experience. Since implementation, the menswear brand has seen a significant return reduction of 47.4% across the vest, pants, and tuxedo shirt rental categories.[3]

1: "The State of Returns: Finding what fits", Narvar, Consumer Returns Study, 2021
2: "The state of eCommerce returns in 2021", Elise Dopson, Shopify, 2021
3. "Bold Metrics reduces returns by 32% with personalized AI fit recommendations", Inventory Report, Sourcing Journal, 2022

Returns (continued)

Connecting the data loop

An AI approach to tackling eCommerce returns enables brands to create a seamless data loop by automatically ingesting the returns and purchase data feedback collected to generate insights that will further reduce returns. AI sizing SaaS company Bold Metrics, for example, has partnered with Loop, the exchange-first returns platform for Shopify brands, enabling a scalable way to provide contextualized fit returns data by garment style. This actionable insight allows for operational optimizations, elevating the online retail experience while reducing fit-related returns for brands.



Personalization

AI-sizing solutions can create a personalized shopper experience for an apparel brand's eCommerce channel by offering tailored size recommendations and an intuitive, user-friendly interface. This approach increases customer satisfaction and improves brand perception - building an engaging shopping experience on a brand's product display page (PDP) that drives customer satisfaction and loyalty.

Replacing size charts

Though ubiquitous, size charts can be complicated and confusing to use, given the lack of sizing standardization across the industry, which is further complicated by vanity sizing. An easy-to-use, accurate sizing solution that provides size recommendations based on individual shopper body measurements and personal fit preferences makes a significant difference in personalizing the fit experience for shoppers.

Product display page (PDP)

By seamlessly integrating AI-driven sizing tools into the eCommerce platform, brands can enhance the overall user experience. A streamlined and intuitive shopping experience encourages customers to spend more time browsing, leading to higher conversion rates.

Learn how to build the perfect PDP to win at eCommerce

Integrations

Cross-platform integrations, such as social media, email marketing, and customer relationship management (CRM) systems, can provide an opportunity to craft uniquely personalized shopping experiences while providing attractive value-adds. AI-powered sizing technology (i.e., the 'Find my size' button) that provides best size recommendations based on individual customer inputs across unique garment SKUs will elevate the online fitting experience for consumers. Syncing consumer data across all shopper channels provides a seamless and personalized buyer journey. The sizing experience should be optimized for mobile especially, given the growing adoption rates for online shopping on mobile devices.

4: "'Tis the Stressful Season for Holiday Gift Returns", CBRE, December 16, 2021

IN-STORE

Conversion

Leveraging a fit technology tool to show sizing in a virtual simulation creates a continuing consumer engagement pathway to connect the shopper experience from online to in-store.

Bridge the instore-online gap

Creating a frictionless experience that translates from online to in-store gives shoppers the confidence to transact by putting them in control of their buyer journey. AI sizing technology can create a consumer data collection that transits seamlessly across platforms based on individual shopper size and fit preferences to encourage sales across buyer touchpoints.

Remove the friction of in-store fittings

With an in-store virtual fitting approach, brands can make trying on different clothing an easy and convenient experience. This enables in-store sales staff to serve more customers while retaining a personalized one-on-one relationship. For example, Men's Wearhouse has an in-store virtual fitting service powered by Bold Metrics that has helped reduce the fitting times by a factor of ten.

Returns

AI-sizing solutions that simplify the fitting process can lead to fewer returns.

Peak hour operational efficiency

For brands that enable in-store returns, reducing the overall returns alleviates the pressures of processing returns in-store, especially during peak periods, which could lead to lost sales when staff divert time and resources to manage in-store returns.

Personalization

The shopper journey is complex and nuanced - customers do not follow a single direct channel, and brand perception is impacted cross-channel depending on shopper behavior. A consistent and helpful approach to sizing that aligns with a brand's eCommerce and physical retail strategy creates a cohesive experience that leads to fewer returns and a smoother path-to-purchase.

Enhancing customer loyalty

The speed and accuracy of an AI sizing solution can offer incredible personalization utility when servicing customers based on their body data and unique fit preferences both online and in-store. Sales staff can leverage in-store AI sizing tools to make personalized recommendations according to individual shopper likes and preferences. The ability for brands to offer a customized shopping experience with accurate size recommendations can boost brand loyalty and trust, encouraging more sales across buyer touchpoints.

OMNI-CHANNEL

Create a seamless shopping experience for customers across different online, mobile, and in-store channels by integrating an AI sizing solution that bridges online and in-store activations through accurate sizing recommendations.

Data-driven marketing

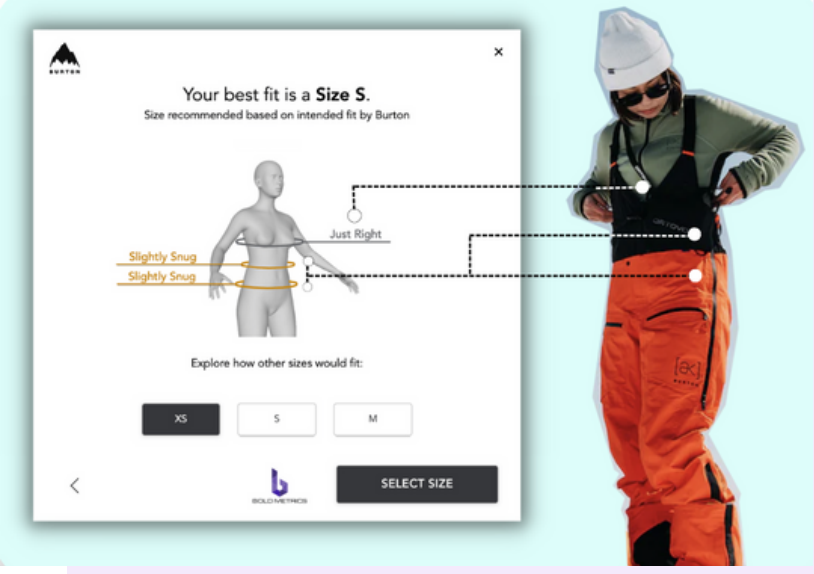
AI enables automated data generation and collection at an exceedingly fast rate with great accuracy. The collected consumer data on body measurements, preferences, and purchasing behavior can effectively inform marketing strategies, creating targeted marketing campaigns that promote products in the customer's size range or sending personalized promotions. By enabling customized cross-selling and upselling, brands can drive conversion and increase average order value (AOV).

53%

of consumers are willing to share their personal information with brands according to a survey by Deloitte.[5]

> **"AI allows you to improve engagement, introduce deep customer personalization into your marketing in-store and online, increase sales, and bolster customer loyalty – meaning you can be proactive instead of reactive in the face of a crisis."**[6]
>
> —Mark Fairlie, business.com

CASE STUDY: **BURTON - Fit gets personal**



Burton's customer-centric approach to fit and sizing with Bold Metrics' AI solutions enables its customers to find their best fit instantly, according to personal fit preferences, leading to a 54% increase in Average Order Value (AOV).

BURTON **54%**

The AOV increase for orders with a Bold Metrics size recommendation compared to those without Bold Metrics.

5: "Evolving trends in brand loyalty and consumer behavior", Deloitte, 2021
6: "The Business of Automation and AI-Powered Retail Predictions" Mark Fairlie, business.com, 2023

Why fixing fit and improving sizing is essential for conversion, returns, and personalization:

Apparel brands and retailers can attain a competitive edge by improving product fit and solving sizing to encourage:

01 Increased Conversion Rates

Accurate sizing information reduces customer hesitation, leading to higher conversion rates.

Canada Goose saw a 16% increase in average conversion rates for products leveraging Bold Metrics' Smart Size Chart solution to determine a shopper's best fit.

02 Reduced Return Rates

Improved sizing accuracy lowers return rates, decreases associated costs, and increases customer satisfaction.

By leveraging an online AI Fit Finder tool for their men's suiting, SuitShop drove down returns and re-orders due to fit by 30% while personalizing online fittings for customers.

03 Enhanced Personalization

Tailored size recommendations create a personalized shopping experience, increasing customer loyalty and satisfaction.

Bespoke denim maker Blue Dleta Jeans Co's AI-powered online fitting solution helps them scale their business while ensuring tailor-grade fit accuracy.

04 Improved Customer Confidence

Accurate sizing solutions make customers more confident in their purchase decisions, promoting repeat purchases and brand loyalty.

Men's Wearhouse customers renting tuxedoes online for important milestone occasions can leverage a virtual sizing tool to ensure they find their best size based on individual fit preferences.

05 Streamlined User Experience

Integrating AI-driven sizing tools into the eCommerce platform enhances the overall user experience, encouraging customers to spend more time browsing and shopping.

Leading kid's schoolwear brand French Toast recently launched its 'Find Your Fit' tool to simplify the sizing process when shopping for kids' schoolwear online.

Why AI is core to the digital transformation of fit and sizing for the apparel industry

AI is driving digital transformation within the apparel industry, being the most effective approach given the scale, speed, and level of intelligent personalization around customer needs. It is a trailblazing use of technology, leveraged to create an impact in these areas:

Accuracy

For AI outputs, the quality and quantity of the foundational data upon which the ML algorithms are trained will impact the results' accuracy. AI algorithms require large amounts of high-quality training data to make accurate predictions.

For example, Bold Metrics has spent over eight years growing its database, generating over 67 million digital twins and counting. Its proprietary Machine Learning algorithms can utilize a simple survey of four to six questions to accurately determine over 50 individual customer body measurements in seconds — within 1 percent accuracy of a master tailor's in-person measurements.

Speed

Virtual sizing solutions powered by AI can determine best fit results in seconds, based on just a few simple inputs. While some sizing solutions require the use of a mobile scanner or customer selfies to generate size recommendations, an AI-approach like Bold Metrics', requires just four to six customer inputs such as height, weight and shoe size, to generate a unique digital twin of the consumer, which is matched with garment data for a best-size recommendation on a per-garment basis.

Fire-Dex, the nation's fastest-growing firefighter PPE provider, leverages the Virtual Sizer solution to transform the sizing process when getting firefighters fitted for their PPE, reducing fittings from days to minutes.

Discover how AI is powering the future of fit in the industry and helping brands unlock the power of body data. Read now.

Automation and scalability

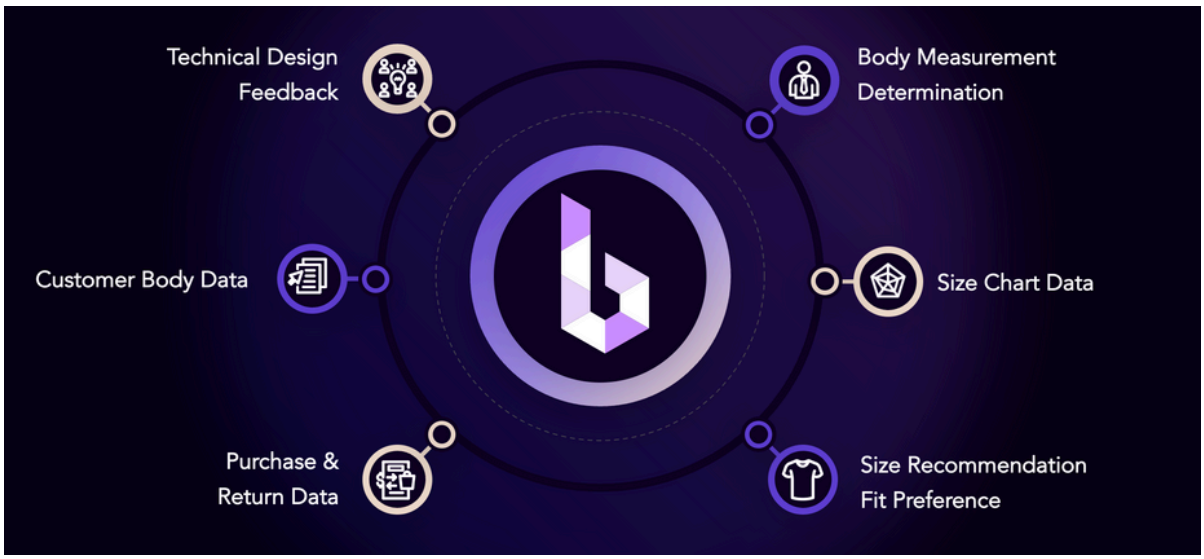
AI-powered sizing solutions use a feedback loop to continuously improve accuracy. When users receive a size recommendation, they can provide feedback on whether the fit was accurate. This feedback is used to adjust and retrain the machine learning model, leading to more accurate recommendations as the tool is used and the data grows. The speed at which this process can be automated means that brands can scale the positive impact of sizing according to individual shopper fit preferences while enabling data collection capabilities to enhance data-led design, product creation, and inventory management.

Retail innovation

As key players in the industry invest more in AI, their competitive advantage will continue to grow, leaving smaller businesses struggling to grow with the same speed and scale.

Apparel companies that can integrate effective AI sizing technology into their value stream will reap the rewards of higher conversion, fewer returns, and greater customer retention due to an improved retail experience that facilitates shopper purchase decisions. When applied to sizing for the industry, AI fit solutions will create a significant gap between companies that have the resources to be early and effective adopters, and others that don't.

A data-driven approach to optimizing conversion, returns, and personalization



By enabling apparel brands to build a scalable library of customer data, Bold Metrics unlocks the power of body data to drive actionable change across the organization. Brands can leverage accurate, real-time data to optimize beyond fit and sizing, driving conversion and reducing returns while personalizing the retail experience for all its shoppers.

Data

The ability to build a scalable library of customer body data to impact change across an organization would be a genuinely transformative watershed for apparel brands. Companies are sitting on a ton of data, with more streams coming in every second. Making meaningful sense of the data will be crucial to transformative growth.

Leveraging a solution like Apparel Insights™—a linked dashboard that automates the data ingestion and analysis across returns and purchase data, as well as tool usage for Bold Metrics solutions like the Smart Size Chart, brands can generate actionable insights based on customer body data, layered with technical garment specifications, to create better- fitting products from the design stage. This also enables change at the enterprise level by breaking down information silos and leveraging customer data insights to help stakeholders optimize operations across the organization.

CONCLUSION

Using AI sizing, apparel brands can provide personalized recommendations to customers, enhancing the shopper experience and boosting conversion. Accurate sizing recommendations make customers more likely to purchase items that fit them well, leading to fewer returns and increased customer satisfaction. Integrating an AI sizing solution allows for a consistent shopping experience - increasing customer loyalty and retention regardless of where the customer shops.

For apparel brands looking to build resilience and remain competitive in a challenging retail environment, this move is vital to strategic retail success. Selecting the right solutions provider is essential. Bold Metrics has been helping brands like Canada Goose, Burton, Men's Wearhouse, UpWest, and others drive conversion, reduce returns and personalize the shopper experience around fit and sizing with proven results.

"The Bold Metrics solution is simple. The consumer answers a few questions and gets an accurate result right away. Bold Metrics is far and away a winner for us, and we're happy to have the technology nationwide in our stores and online."

Daniel Carpenter,
Sr. Director of Digital Product Management at Tailored Brands.



BOLD METRICS
Unlock the Power of Body Data

With a suite of powerful AI solutions that cater to the needs of apparel businesses from custom clothiers to SMEs, multi-brand retailers, and enterprise-level companies, Bold Metrics unlocks the power of body data to help brands reduce returns, boost conversion and generate valuable data-backed insights that optimize operations from design to distribution.
Find out more at boldmetrics.com

Trusted by:

Amongst others...