

BODYxLABS  
2016



**APPAREL & FOOTWEAR  
RETAIL SURVEY REPORT**

Solving the Fit Problem



# **APPAREL & FOOTWEAR RETAIL SURVEY REPORT**

Solving the Fit Problem

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STAT

\$62.4 billion

worth of apparel and footwear returned  
due incorrect fit.

# 01

## THE GHOST ECONOMY

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The fashion and apparel market is a \$1.2 trillion global industry, with U.S. consumers spending \$250 billion annually on apparel and footwear.<sup>1</sup> Surprisingly, clothing returns have remained a major cost center for brands and retailers. In 2015, \$62.4 billion worth of global apparel and footwear purchases were returned due to incorrect sizing.<sup>2</sup>

Returns, along with out-of-stocks and overstocks, have been referred to as the “Ghost Economy” by IHL Group. The Ghost Economy is a term used to describe the inefficiencies that result in largely unseen costs by retailers. For many retailers, clothing and footwear returns are viewed as part of doing business. To address these challenges, Body Labs set out to explore the reasons behind returns to identify what contributes to problems with apparel and footwear fit through a consumer survey of U.S. online and offline shoppers.

## SURVEY OVERVIEW

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### GOALS

Body Labs’ study explores current apparel and footwear retail experiences as well as consumer purchasing behaviors related to fit. With an understanding of how fit issues impact consumer behavior, brands and retailers can take the proper initiatives to resolve these challenges, reduce costs and improve customer satisfaction.

### METHODOLOGY

From April 6 – 14, 2016, Body Labs conducted a nationally-representative survey of 1,130 respondents regarding their retail purchasing behaviors. Survey participants ranged across all adult age groups, genders, U.S. regions, ethnicities and household incomes. The results have a +/- 3 percent margin of error.

### FOOTNOTES:

1. Statistic Brain: <http://www.statisticbrain.com/fashion-industry-statistics/>

2. IHL Group: [http://engage.dynamicaction.com/WS-2015-06-IHL-Ghost-Economy-Haunting-of>Returns-AR\\_LP.html](http://engage.dynamicaction.com/WS-2015-06-IHL-Ghost-Economy-Haunting-of>Returns-AR_LP.html)

## FOCUS AREAS

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- How do consumer shopping behaviors change online compared to in-store?
- Why do consumers return clothing?
- What preferences do consumers have before completing purchases?
- How do shopping behaviors change related to fit?
- What are major differences in shopping behaviors online compared to in-store?
- Are consumers satisfied with existing shopping experiences?

## KEY TAKEAWAYS

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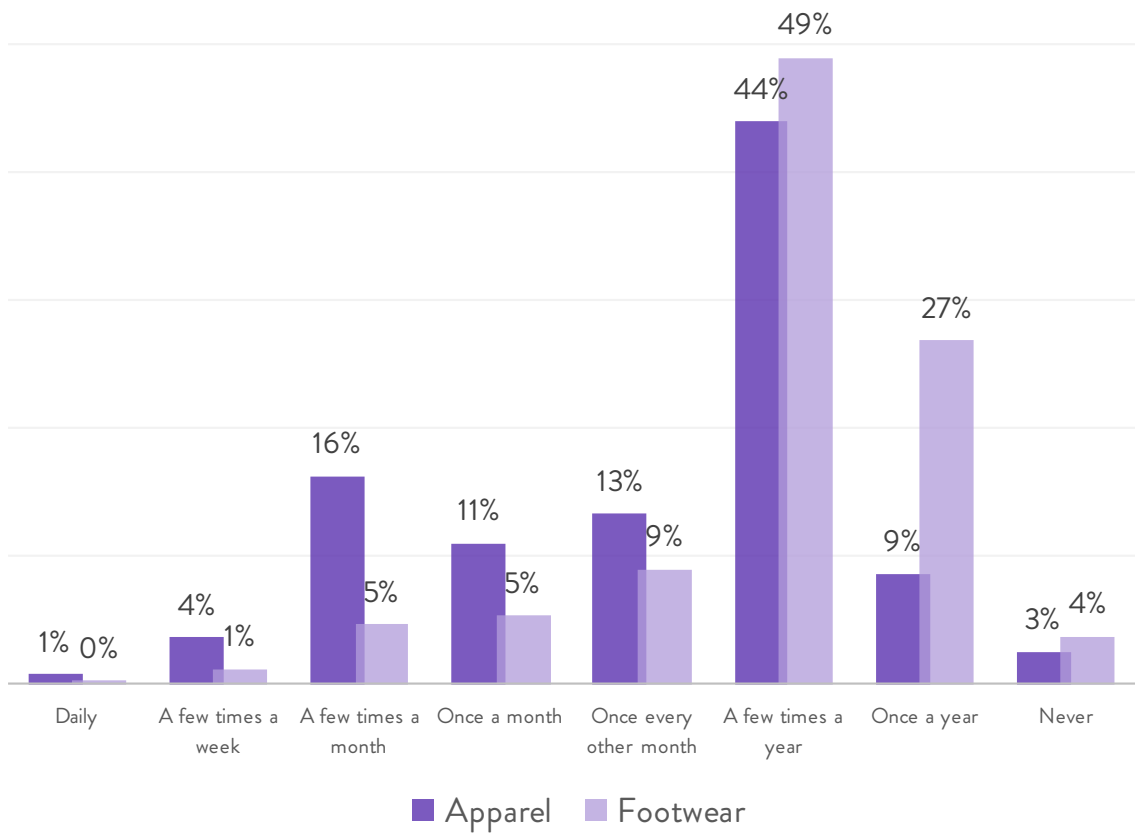
- 23 percent of all clothing purchased gets returned.
- 64 percent say incorrect fit is the major reason for returning clothing.
- 85 percent would purchase at least one to two more articles of clothing during a single transaction if they could ensure a proper fit.
- 58 percent of respondents would purchase clothing more frequently if they could ensure a proper fit.
- 46 percent “hate” trying on clothing in a fitting room.
- 59 percent of shoppers prefer shopping in-store compared to online.
- 57 percent of consumers only purchase apparel or footwear online from brands or styles they know will fit.
- High-volume and high-frequency shoppers are 120 percent more likely to prefer shopping online — 275 percent for footwear.

# 02

## UNDERSTANDING SHOPPING BEHAVIORS

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HOW FREQUENTLY DO YOU SHOP FOR CLOTHING OR FOOTWEAR?



STAT

59% of shoppers  
prefer to shop in-store instead  
of online



## APPAREL & FOOTWEAR

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Before exploring the challenges with fit, it was important to understand how frequent consumers shop. Nearly half of all respondents (45 percent) claimed that they shopped for clothing at least once every other month online or in-store — 32 percent at least once a month. However, purchasing behavior significantly changed when considering footwear. Eighty percent of respondents said they only shop for shoes once every other month or longer — 49 percent said they shop for footwear just a few times a year. Overwhelmingly, 59 percent of shoppers preferred shopping for clothing in-store rather than online and 24 percent never shop for clothing online.

## THE CHALLENGE WITH FITTING ROOMS

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Consumer preferences for purchasing clothing or footwear in-store can be attributed to being able to touch, feel and try on items. Seventy-six percent said that they try on clothing before purchasing — 91 percent said they are likely to try on footwear. However, nearly half of all respondents (46 percent) said they “hate” trying on clothing in a fitting room.

### **46% “hate” trying on clothing in a fitting room**

Clearly, consumers see value in trying on apparel and footwear to ensure a proper fit, but ultimately hate the process itself. Of the 46 percent who hate trying on clothing, 67 percent said that they’re still likely to go through the fitting process before purchasing — 93 percent of the same group also try on shoes before purchasing.

STAT

23% of all clothing  
purchased gets returned

# 03

## THE FIT PROBLEM

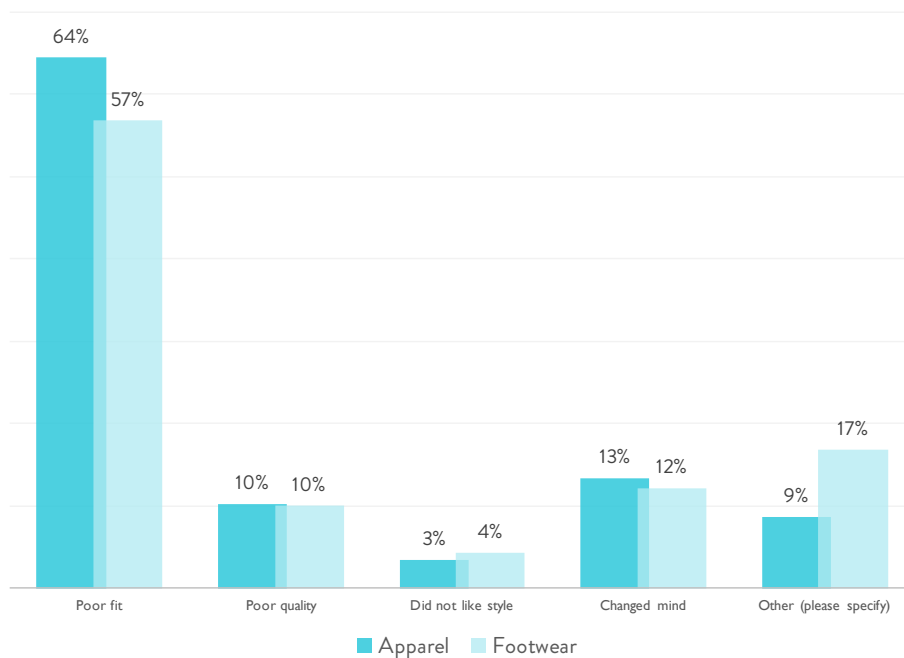
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A third of all respondents are dissatisfied with the fit of traditional sizes and feel that traditional sizing is not an accurate depiction of their body. Overwhelmingly, respondents also stated that they returned 23 percent of all clothing purchased either online or in a store (23 percent online and 22 percent in-store). When factoring in footwear, however, returns were more skewed. Respondents stated that they returned 20 percent of all online footwear purchases, compared to only 13 percent in-store.

### 64% say lack of fit the major reason for returning clothing

Returns are a big problem for brands and retailers. Sixty-four percent of respondents strongly identified “poor fit” as the biggest reason behind these large return numbers — 57 percent said it is their biggest reason for returning footwear. Unsurprisingly, 77 percent of respondents who prefer shopping online stated that poor fit is the biggest reason for returning clothing — 68 percent for footwear.

#### WHAT IS YOUR BIGGEST REASON FOR RETURNING CLOTHING OR FOOTWEAR?



STAT

57% of consumers

only purchase apparel or footwear online from  
brands or styles they know fit them

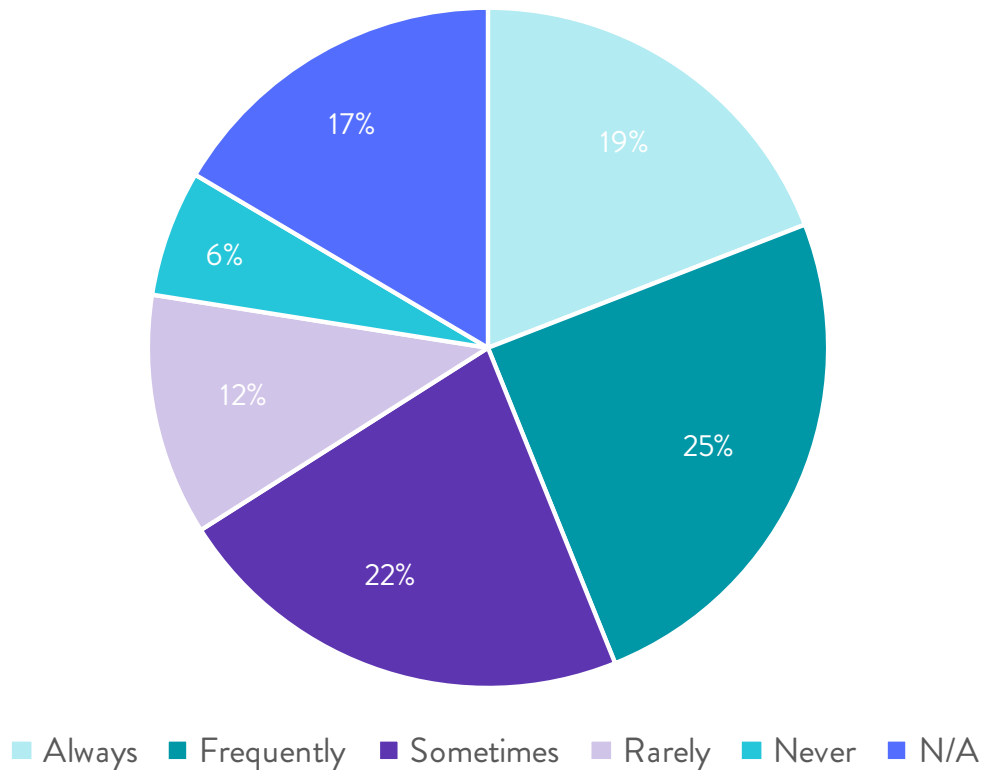
Poor fit could also be attributed to the ineffectiveness of size charts. Forty-four percent of respondents who frequently use size charts stated that they return 25 percent of all online clothing purchases. Also, 66 percent of these same respondents still stated poor fit as the biggest reason for returning clothing (60 percent for footwear). These results reaffirm the current problem that there is no way for customers to quickly and efficiently try on and assess the fit of apparel or footwear across multiple brands and retailers.

## 34% are dissatisfied with the fit of traditional sizes

There is a significant confidence gap in verifying size and fit — and it becomes even more apparent with online shopping. Fifty-seven percent of respondents say they only purchase apparel or footwear online from brands or styles that they know will fit from past experience. This appears to be one of the ways consumers can confidently shop online without physically trying on the item. However, this behavior limits consumers to specific retailers online and reduces the desire to discover new retailers or brands.

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HOW OFTEN DO YOU REFERENCE A SIZE CHART WHEN SHOPPING ONLINE?



STAT

85% of consumers

would purchase at least one to two more articles  
of clothing during a single transaction if they  
could ensure a proper fit

# 04

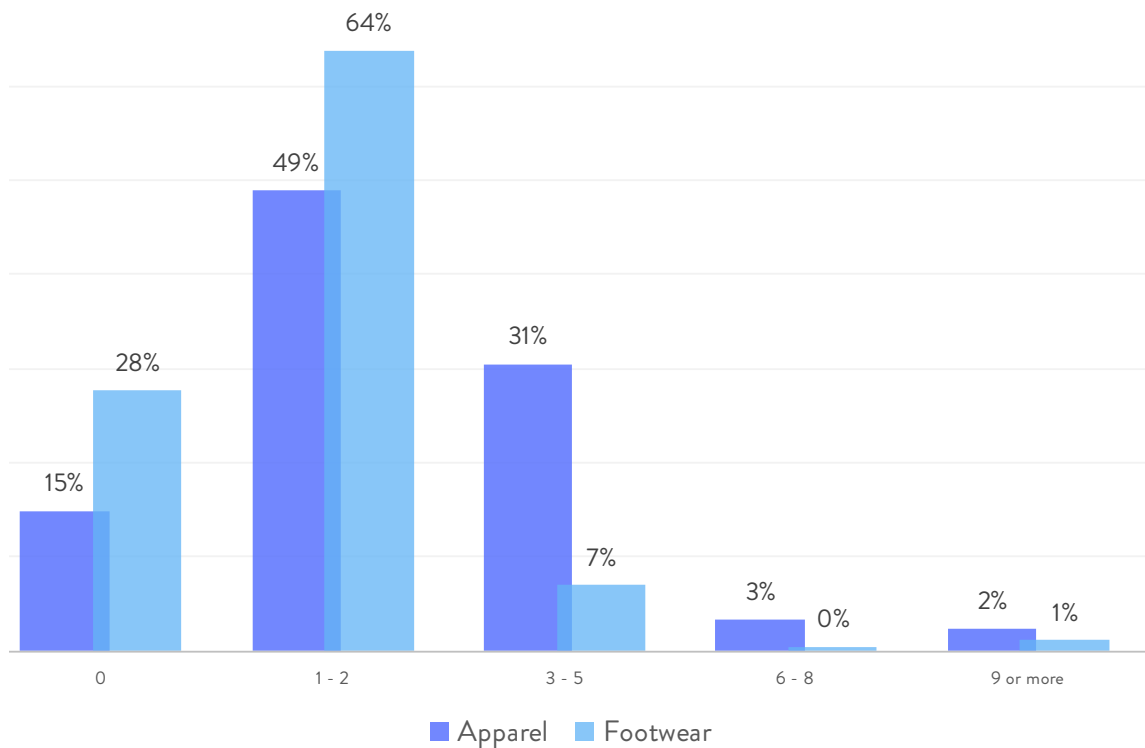
## SOLVING FOR FIT

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Today, there's a disconnect between the brands that define clothing or footwear sizes and the consumers who know their body shape and measurements. There needs to be a way to align consumer body shape data and sizing in an efficient, accurate and scalable way. Not only would this solve fit issues, but it would exponentially reduce returns – a giant cost center of the “Ghost Economy.” Additionally, resolving these challenges would drastically increase the purchase volume and frequency for consumers.

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IF YOU COULD ENSURE A PROPER FIT, HOW MANY MORE ARTICLES OF CLOTHING OR PAIRS OF SHOES WOULD YOU PURCHASE DURING A SINGLE TRANSACTION?



STAT

58% of respondents  
would purchase clothing more frequently  
if they could ensure a proper fit



If fit was not a concern, 58 percent of respondents stated they would purchase clothing more frequently both online and in-store — 51 percent would purchase footwear more often. An astounding 85 percent of consumers would purchase at least one to two more articles of clothing during a single transaction online and in-store if brands could solve the problems with fit — 72 percent would purchase at least one to two more pairs of shoes during a single transaction.

## **High-volume and high-frequency clothing shoppers are 120% more likely to prefer shopping online — 275% for footwear**

Respondents who shop for clothing more frequently — ranging from daily to a few times a month — were 120 percent more likely to prefer shopping online compared to shopping in stores (275 percent for footwear).

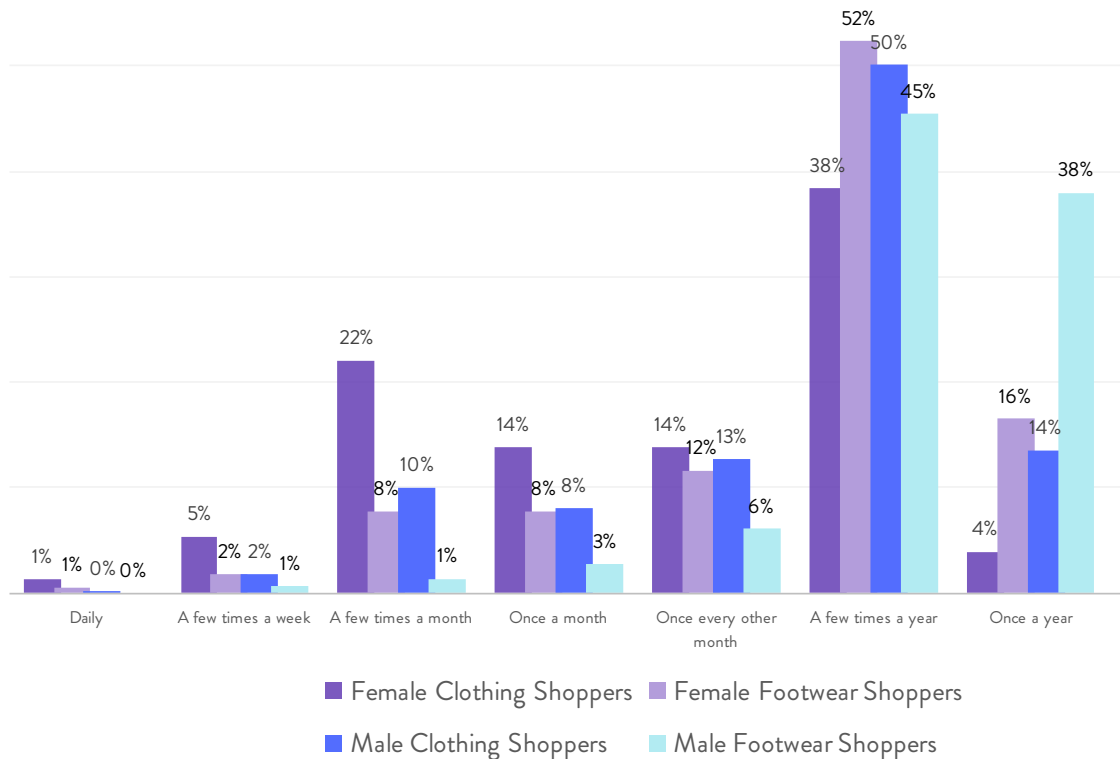
STAT

42% of women  
shop for clothing at least once a month

# 05

## MALE VERSUS FEMALE PURCHASING BEHAVIORS

HOW FREQUENTLY DO YOU SHOP FOR CLOTHING OR FOOTWEAR ONLINE?



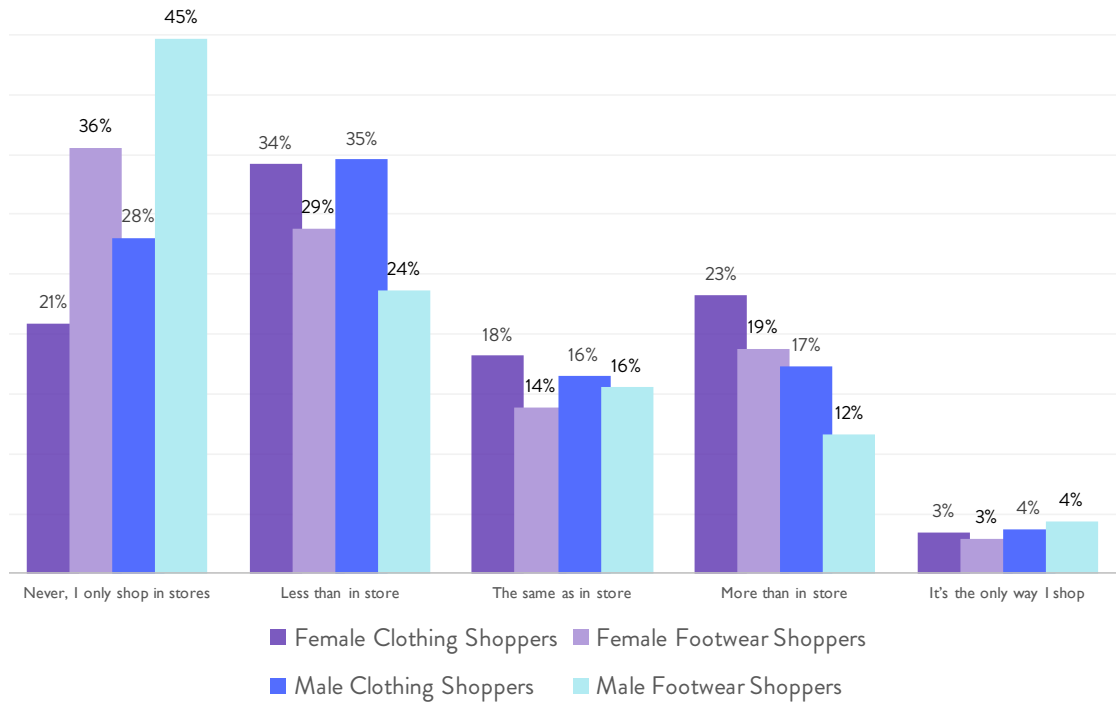
When exploring how men and women shop, it's evident that women shop more frequently than men and are more open to shopping online. In fact, 42 percent of female respondents shop for clothing at least once a month, compared to 20 percent of male respondents. Forty-four percent of male respondents only shop for footwear once a year — and sometimes even less frequently — compared to 18 percent of women who exhibited the same behavior.

STAT

If fit was not an issue,  
91% of women would purchase at least one more  
article of clothing during a single transaction,  
compared to only 78% for men

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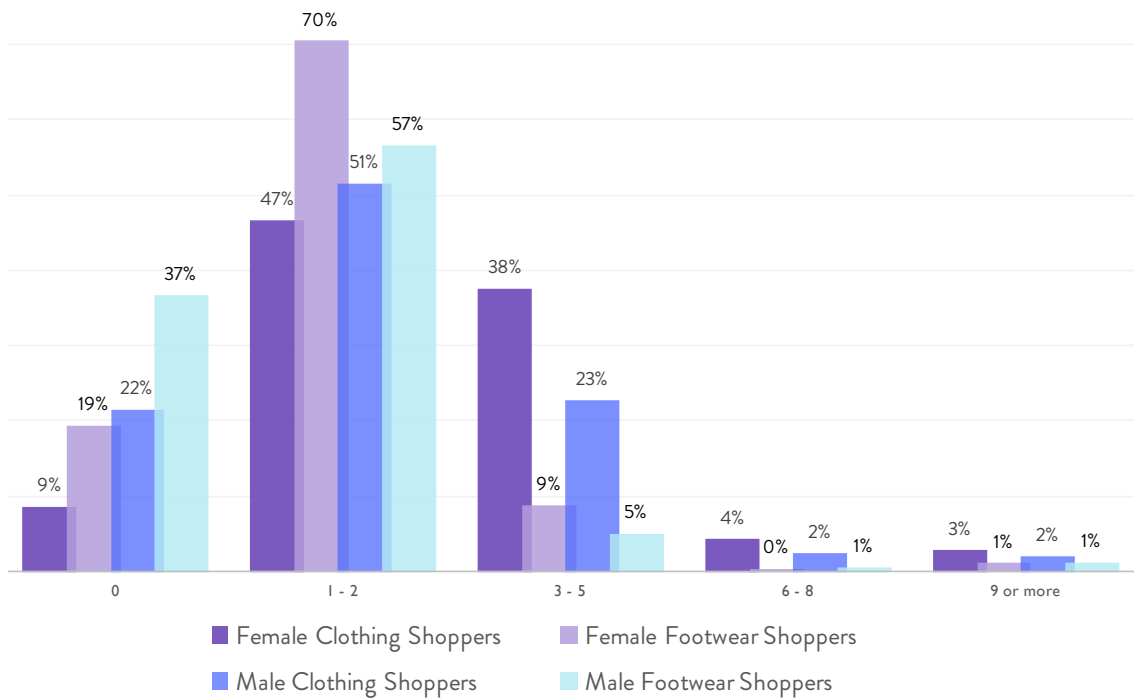
## DO YOU SHOP FOR CLOTHING OR FOOTWEAR ONLINE?



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Additionally, 26 percent of women prefer shopping for clothing online — only 21 percent of men prefer the same. This is despite the fact that more women (26 percent) return online clothing purchases than men (18 percent). Interestingly, the majority of women (53 percent) hate trying on clothing, compared to only 38 percent for men.

IF YOU COULD ENSURE A PROPER FIT, HOW MANY MORE ARTICLES OF CLOTHING OR PAIRS OF SHOES WOULD YOU PURCHASE DURING A SINGLE TRANSACTION?



After solving for fit, women would exponentially increase their purchase volume compared to men. Overall, 91 percent of female respondents said they would purchase at least one more article of clothing during a single transaction — 38 percent would purchase three to five more. Compare this to only 78 percent of men who would purchase more during a single transaction.

# 06

## CONCLUSION

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Returns are a looming challenge for apparel and footwear retailers. As a result, they avoid investing too heavily in their online retail environments because of the limited insight they have into their customers' exact dimensions and measurements. Converting shoppers online has been a challenge for retailers, and when they do convert, they are not happy with their purchase. The main culprit is dissatisfaction with fit.

To compensate for this, many online retailers offer free returns to increase sales. However, this results in a Catch-22 where the increase in sales is often offset by the much more costly shipping and overhead costs of increased returns. Despite free returns, consumers continue to prefer shopping for clothing and footwear inside traditional brick-and-mortar stores because they understand the benefits of fitting rooms — even if they ultimately hate the tedious process of trying on clothing. For retailers, it's vital to invest in a scalable, effective and efficient way to capture the body measurements of shoppers to reduce return costs and increase purchase frequency and volume both online and in-store.

# 07

## RECOMMENDATIONS

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Online apparel and footwear retailers have been selling with one hand tied behind their back. Unlike other industries, apparel and footwear retailers need three core capabilities to be successful online:

### **1. SOLVE FOR FIT BY EXTRACTING DETAILED CUSTOMER MEASUREMENTS AT SCALE**

Many brands and retailers want to solve the fit problem. One solution is to work with a 3D scanning company. However, these companies introduce new challenges. For example, they require expensive and cumbersome hardware, which must be owned by the retailer or the consumer. With only a handful of stores or consumers

meeting this criteria today, it's not a viable solution that's scalable. Soon, 3D depth sensors (e.g., Microsoft Kinect, Intel RealSense or Google Project Tango) will help drive down the cost, increase the portability and expand the use of conventional scanning. In the meantime, there are other approaches.

Unlike conventional 3D scanning companies, which merely produce a static point cloud of a customer's body shape, Body Labs uses a statistical approach. This approach can reference 3D scans, but is not limited to them. Body Labs then applies cutting-edge machine learning to the world's most robust database of human shape, to accurately determine a customer's 3D body shape and full set of measurements from just their height and weight. Retailers can then use these detailed measurements to design custom apparel or make size recommendations.

## **2. RECOMMEND SIZE OR DELIVER MASS CUSTOMIZATION BY CORRELATING GARMENT OR FOOTWEAR MEASUREMENTS WITH CUSTOMER BODY SHAPE**

Fortunately, brands already have all the measurements for garments or shoes since they are necessary to grade and manufacture these items. If retailers could access their customer's measurements at scale, then they could easily correlate the two measurement sets to recommend sizes or deliver mass customization. Retailers can use these highly-accurate customer measurements to improve their overall sizing by averaging segments of each dataset or to accurately deliver tailored clothing from just the online inputs of a customer's height and weight.

## **3. VALIDATE STYLE AND PREFERENCE THROUGH VIRTUAL TRY-ON**

Once brands and retailers solve the fit problem, they need to focus on style and preference by providing an accurate visualization of the customer's 3D digital body dressed in the garment or footwear. If both are done accurately, retailers can demonstrate the fit of the garment on the customer's body, highlight tension points through heat mapping and more. Solving the fit problem is the most important concern, but virtual try-on can also show the style of the garment or footwear digitally. Even if fit is perfected by the retailers, customers likely need additional validation from accurate visualizations of how it looks on their digital body. This is achieved through virtual try-on, which can be done without expensive scanning hardware, and through the convenience of a webpage or embeddable front-end solution.



## **ABOUT BODY LABS**

Founded in 2013 and headquartered in Manhattan, Body Labs collects, digitizes and organizes all of the data and information related to human body shape, pose and motion. Its mission is to transform the human body into a digital platform upon and around which goods and services can be designed, produced, bought and sold. To learn more about how Body Labs can help accurately measure your customers for custom-tailored clothing or sizing recommendations visit [bodylabs.com](http://bodylabs.com).

