ENGINEERING LEADERSHIP
PROFESSIONAL PROGRAMS

SizeMeUp

Bringing 3D tech to shoe sizing

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Problem

Customers nowadays are more likely to turn towards online shopping as ecommerce is continuing to accelerate in popularity. The data is clearly showing that customers prefer the convenience of shopping from home rather than traveling to a physical store but when it comes to clothing, this experience can come at a cost. 40% of online returns are a result of an incorrect size selection as per our market survey research. The average e-commerce return rate is 2-3 times higher than in-store. Because of the unreliable sizing experience when shopping online, customers are now purchasing multiple units with varying sizes with the intention of returning misfits. This behavior is trending and contributing to **huge losses for online retailers** especially for those offering free shipping and returns. Also, the free shipping and returns are not a sustainable solution for the environment, customer confidence, or brand reputation. These unnecessary returns have a noticeable impact on a company's earnings as returns not only lead to lower profits due to the loss in sales, but also higher costs due to the extra services necessary for inspecting and restocking the returned goods. "As per Morgan Stanley Research, just a 5% reduction in returns could double earnings before income and taxes for an online apparel retailer."[9] The **time and effort spent** in online shopping resulting in an improper purchase leaves the consumer *frustrated* enough that many of them still prefer shopping for shoes in person.

Solution

What is SizeMeUp?

SizeMeUp is a service that is aimed at reducing these return rates which will result in higher profits for online retailers along with recommending a proper size for online shoppers. An advantage that SizeMeUp has from the start is that 80% of customers are looking for technology to solve this problem as per the survey shown below.

Survey Responses

Not confident about fit	~20
Had to return	~57
Looking for brand technology to help	~80
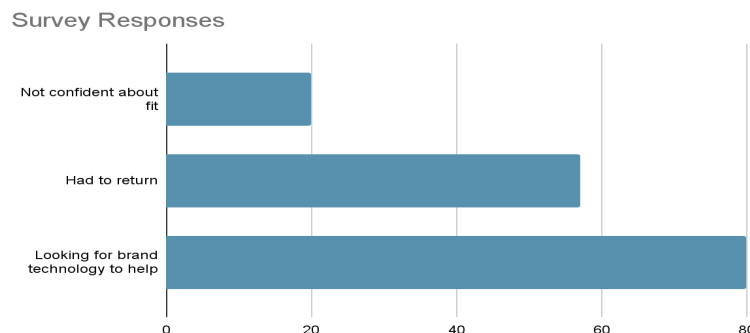
IPhone App

Our solution starts with a custom app which will seamlessly integrate with online retailer apps and web pages enabling their customers to simply scan their feet using their IPhone and obtain a recommended size for their selected shoe. With the release of the new iPhone and the included Lidar scanner, measurements of these distances are more accurate than what was previously possible. The iPhone app is the only way for us to utilize Apple's CoreML technology along with public models such as Yolov5 which will help us identify a human foot in the camera image. This technology is only available for native applications but could potentially be ported to Safari for the development of a Progressive Web App (PWA) which would remove the need for users to install the SizeMeUp application to use our service.

Measurement & Recommendations

Our focus in the initial development will capture an accurate length and width of the human foot considering these are the required measurements for most manufacturers sizing charts. The SizeMeUp team would gather and maintain a matrix of these different sizing guides sourced from the manufacturers themselves that the SizeMeUp application would compare the captured measurements against to calculate a proper size recommendation.

Integration

The integration capabilities will be a top priority for the success of the product. We believe that consumers would be reluctant to install yet another shopping app just to shop for shoes. Our intention for the end users using the SizeMeUp service is to continue using their existing shopping experience with this simple enhancement installed. In the initial phase, we would explore building retailer specific configurations for this integration to be as seamless as possible for the integrated retailer but in parallel we would develop API's for future self service retailer integration. The end goal would be a service that retail customers could embed into their system without any help from the SizeMeUp team.

High Level Workflow
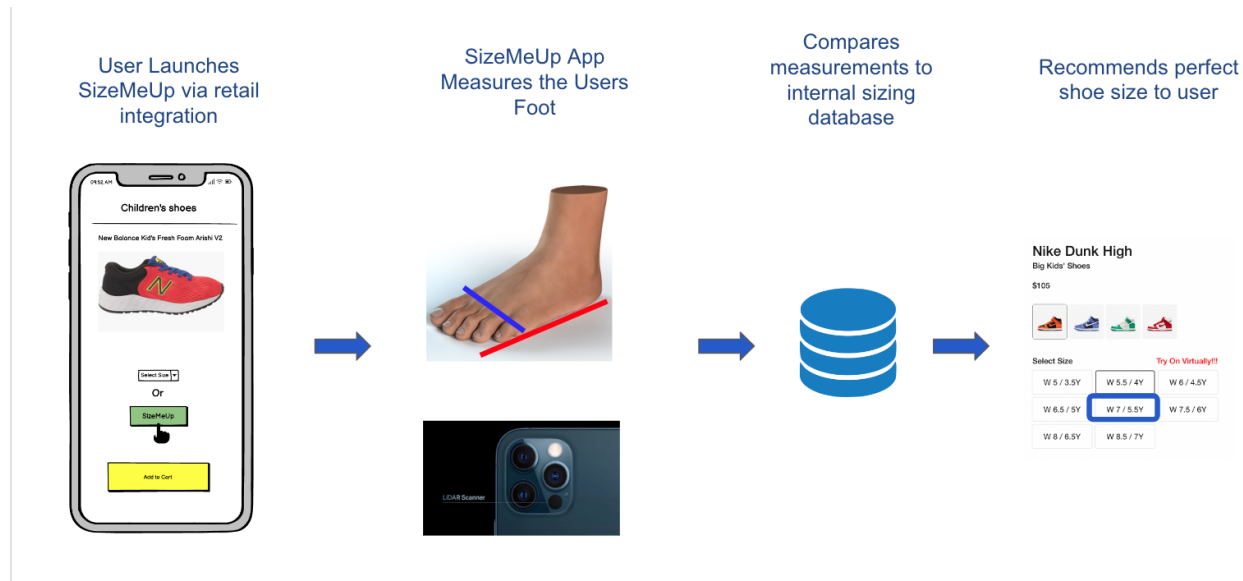
Competition

SizeMeUp competes with virtual try-on solutions provided by companies for online shopping. Our major competitors are provided below -
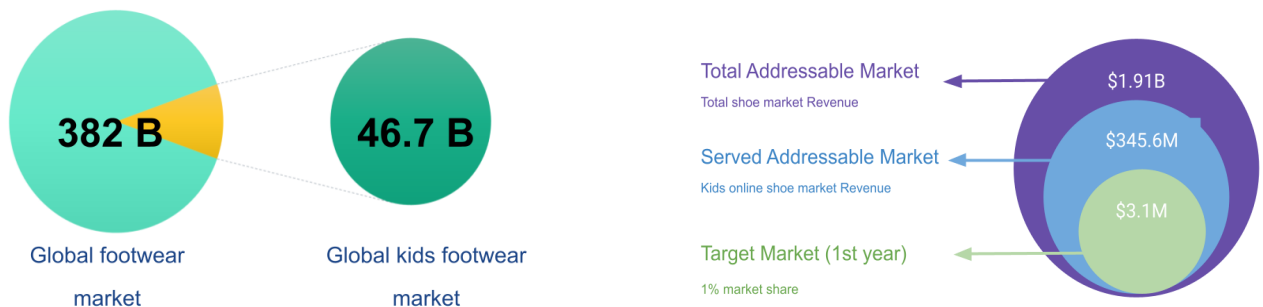
1. Zappos
2. Kiwi Sizing
3. Volumental
4. Xesto

We have a strong product differentiation against our competition, Our business model is focussed on B2B and our product recommendations are accurate backed by our deep detection technology using AI, from an user perspective the ease of use of our application along with the advantage of virtual try on feature gives us a significant competitive advantage and makes up for a winning product.

	SIZE ME UP	Kiwi Sizing	>|o VOLUMENTAL	xesto	Zappos
Business Model	B2B	B2B & B2C	B2C	B2C	B2C
Recommend Size	✅	✅	✅	✅	❌
Measurement Detection AR/ AI	✅	❌	❌	✅	❌
Virtual Try on	✅	❌	❌	❌	✅
Ease of Use	✅	❌	❌	❌	❌

Opportunity

There is a huge opportunity in the online shoe market. As of 2022, the global shoe market is of the size 382B and 12 % is from the kids footwear market. As per data gathered from the survey, 74% of the revenue is generated from online sales and 89% of those are concerned with size.

So, the target market is 1% of the 89% of the customers having sizing concerns in the online kids footwear segment.

382 B

Global footwear market

46.7 B

Global kids footwear market

Total Addressable Market
Total shoe market Revenue
$1.91B

Served Addressable Market
Kids online shoe market Revenue
$345.6M

Target Market (1st year)
1% market share
$3.1M

Go-To-Market Strategy

Our Go to Market strategy will be to start with kid's shoe market and expand the offering to men and women in the later years. We will leverage our professional network to find an initial partner to validate our solution. As we acquire user data through initial integrations, we will use it as a marketing tool to reach out to potential clients with recommendations. Our vision is to deliver a less frustrating online shoe shopping experience to the end users, which means lesser returns for shoe retailers.

Market Penetration

There are many shoe manufacturers and retailers out there who have an online presence for shoe shopping on web and mobile. Given that the shoe size matching today is imperfect all of them will benefit from a technology that helps with an improved shopping experience and can help reduce costs for retailers.
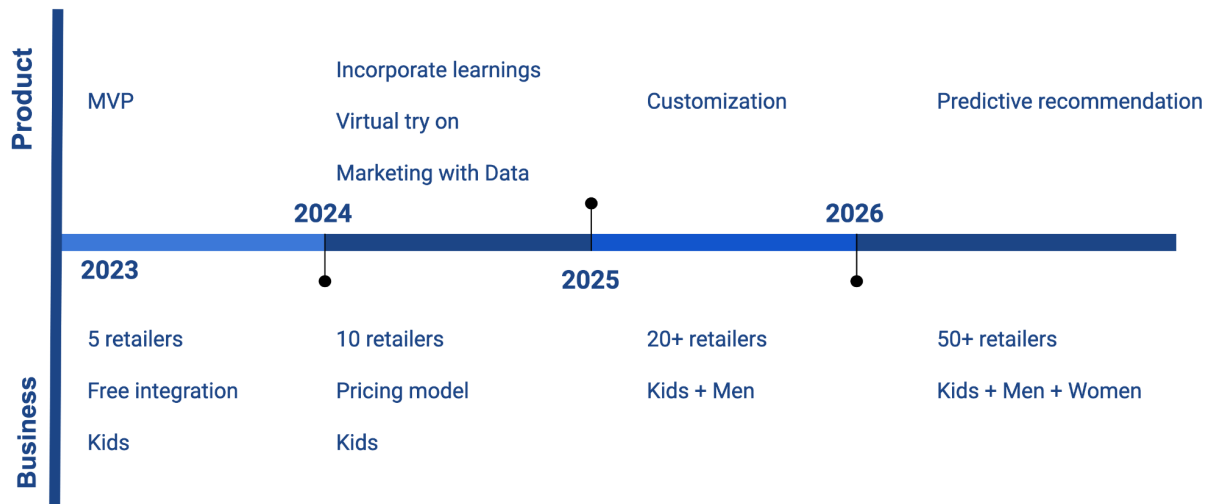
Strategic Opportunity for Shoe Manufacturers

If we take the potential scenario of Nike as a partner, it is obvious to see how a sizing recommendation technology would fit well into their future plans. As per Nike's 20222 fiscal year reports, Nike's revenue from Kids shoes grew 17% more as compared to previous year. Along with that we can see an intended shift to selling directly to customers. On top of that, the overall digital sales continues to grow as well. Sales from direct operations was about 32% more than previous year compared to 12% more for sales through Wholesale customers. In late December 2021 Nike bought virtual sneaker maker RKTFT to "expand its footprint in the fast growing metaverse"[5]. It is clear that Nike is betting heavily to attract young demographics in the digital metaverse as a strategic move. Given that SizeMeUp plans to offer advanced personalization and recommendation features, integrating with our app will just strengthen their plans greatly.

Roadmap

In the first year we will get started with integrating our solution with at least 5 retailers, integration will be done free of cost for early adopters. Learning and building credibility in the first year will remain our primary focus. We plan to do strategic hires for sales and marketing and increase our visibility through digital campaigns.

In the second year we plan to introduce virtual try on feature and revolutionize customer experience with online shoe shopping. This will allow customers to visualize how a pair of new shoes will look on themselves. We would also make our pricing models more competitive.

In the consecutive years we plan to introduce customization of shoes, since shoes are a mass-produced product that often lacks the unique fit that every new owner is looking for. However, with the customization, you can make any pair of shoes fit your unique feet perfectly, increasing comfort throughout their use. As we grow our user base though our retailers we plan to use the data for predictive recommendation and new business opportunities.

Product				
MVP	Incorporate learnings Virtual try on Marketing with Data		Customization	Predictive recommendation
	2024			**2026**
2023		**2025**		
5 retailers	10 retailers	20+ retailers	50+ retailers
Free integration	Pricing model	Kids + Men	Kids + Men + Women
Kids	Kids		

Business

Business Model and Financial Projections

Our pricing model is based on one time integration fees of 10K per retailer and a 10 C nominal fee for every successful shoe sold using SizeMeUp.
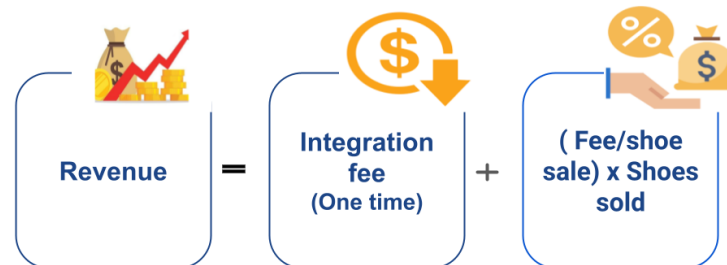
Financial forecast for the first 5 years is shown below. Though we would have a loss of ~ 1 million at the end of year 1, we would become profitable from 2nd year onwards.

	Year 1	Year 2	Year 3	Year 4	Year 5
Shoes sold	30M	60M	188M	435M	908M
Integration fee (One time per partner)	$0	$50K	$150K	$250K	$500K
Fee per shoe sale	0C	10C	10C	15C	15C
Total revenue	**$0**	**$6.1M**	**$19M**	**$65.5M**	**$136.7M**
Variable costs	$130K	$175K	$175K	220K	220K
Gross profit	**$(130K)**	**$5.9M**	**$18.8M**	**$65.3M**	**$136.5M**
Fixed costs	$850K	$3.5M	$3.5M	$3.5M	$3.5M
Net profit	**$(980K)**	**$2.4M**	**$15.3M**	**$61.8M**	**$133M**

Leadership Team

Siby Thomas

Chief Executive Officer

Joe Wimmer

Chief Technology Officer

Shweta Tripathi

Chief Product Officer

Vikas Kumar

Chief Marketing Officer

Chandan Rao

Chief Financial Officer

We are a passionate, qualified and an experienced team from product, technology and business backgrounds, we know the landscape and want to build scalable & profitable business.

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