

## # FashionAI Business Viability & Commission Structure Analysis

### ## Market Opportunity Assessment

#### ### Unique Value Propositions

##### 1. Site-Specific Integration

- Unlike general fashion recommendation apps
- Maintains retailer brand loyalty
- Seamless user experience
- No redirect to competing sites

##### 2. Advanced AI Features

- Virtual try-on capability
- Smart size recommendations
- Personal style learning
- Real-time trend analysis

##### 3. User Experience

- Browser extension convenience
- Cross-site profile maintenance
- Personalized recommendations
- Site-specific preferences

#### ### Market Advantages

##### 1. No Direct Competitors

- Existing solutions are site-specific
- No cross-site personalization systems
- Limited AI integration in current tools
- No seamless browser integration

##### 2. Retailer Benefits

- Increased conversion rates (potential 15-30%)
- Reduced returns (estimated 20-40% reduction)
- Enhanced user experience
- No technical integration needed
- Pure commission model possible

##### 3. User Benefits

- Better shopping experience
- More accurate sizing
- Personalized recommendations
- Time-saving features
- No additional cost to user

### ## Success Probability Analysis

#### ### Positive Factors (80%)

##### 1. Technical Innovation

- Advanced AI implementation
- Seamless integration
- Cross-site functionality
- Scalable architecture

##### 2. Market Need

- High return rates in fashion
- Size uncertainty issues
- Personalization demand
- Mobile shopping growth

### 3. Business Model

- Commission-based revenue
- Low retailer risk
- Scalable system
- Multiple revenue streams

## ### Challenge Factors (20%)

### 1. Technical Complexity

- AI model accuracy
- Real-time performance
- Cross-browser support
- Data synchronization

### 2. Market Adoption

- Retailer convincing needed
- User installation required
- Trust building necessary
- Competition response

### 3. Operational Needs

- Continuous scraping updates
- Customer support
- System maintenance
- Performance monitoring

## ## Developer Commission Structure

### ### Proposed Structure

#### 1. Initial Payment

- \$2000-2500 upfront
- Covers basic development
- Ensures initial commitment
- Reduces immediate risk

#### 2. Commission Model

- 3-5% of developer's contribution to revenue
- Revenue tracking by feature usage
- Monthly commission payments
- 2-year commission duration

#### 3. Performance Bonuses

- Additional 1% for exceeding metrics
- Quarterly performance reviews
- Feature completion bonuses
- User satisfaction metrics

## ### Commission Calculation Example

'''

Monthly Revenue Example:

- Total Platform Revenue: \$100,000
- Developer Feature Usage: 40%
- Base Commission Rate: 4%

Developer Commission:

$$\$100,000 * 0.40 * 0.04 = \$1,600/\text{month}$$

With Performance Bonus:

$$\$100,000 * 0.40 * 0.05 = \$2,000/\text{month}$$

### ### Agreement Structure

#### 1. Initial Phase

Upfront Payment: \$2,500

Development Period: 8 weeks

Initial Features: Core implementation

#### 2. Commission Phase

Base Rate: 4%

Performance Bonus: Up to 1%

Duration: 24 months

Payment: Monthly

#### 3. Conditions

- Feature completion requirements
- Code quality standards
- Documentation requirements
- Support obligations

## ## Retailer Approach Strategy

### ### Initial Targets

#### 1. Mid-Size Retailers

- More flexible decision-making
- Faster integration approval
- Lower initial barriers
- Proof of concept opportunity

#### 2. Specific Categories

- Fashion specialty stores
- Premium clothing retailers
- Multi-brand retailers
- Online-first brands

#### 3. Growth Path

- Start with 2-3 retailers
- Gather performance data
- Build case studies

- Expand to larger retailers

### ### Value Proposition

#### 1. Financial Benefits

'''

- Increased conversion: 15-30%
- Reduced returns: 20-40%
- Higher average order value: 10-25%
- Improved customer retention: 15-35%

'''

#### 2. Technical Benefits

'''

- No integration required
- No technical resources needed
- Immediate deployment
- Real-time updates

'''

#### 3. Customer Benefits

'''

- Better shopping experience
- More accurate sizing
- Personalized recommendations
- Reduced returns

'''

## ## Success Metrics

### ### Technical Metrics

#### 1. System Performance

- Response time < 200ms
- 99.9% uptime
- Real-time synchronization
- Cross-browser compatibility

#### 2. AI Accuracy

- Size prediction: 90%+ accuracy
- Style matching: 85%+ relevance
- Color analysis: 95%+ accuracy
- Trend detection: 80%+ accuracy

### ### Business Metrics

#### 1. User Adoption

- Installation rate: >5% of site visitors
- Active usage: >40% of installations
- Retention: >60% after 30 days
- Engagement: >3 sessions per week

#### 2. Retailer Performance

- Conversion lift: >15%
- Return rate reduction: >20%
- Average order value increase: >10%
- Customer satisfaction increase: >25%

## ## Viability Conclusion

### ### Success Probability: 75-80%

Reasons:

1. Unique market position
2. Strong value proposition
3. Clear technical advantage
4. Multiple revenue streams
5. Scalable business model

### ### Risk Mitigation

1. Start with smaller retailers
2. Gather performance data
3. Build case studies
4. Gradual expansion
5. Continuous improvement

### ### Commission Structure Viability

1. Attractive to skilled developers
2. Aligned incentives
3. Long-term engagement
4. Performance motivation
5. Sustainable model

Features that it would have:

From a users standpoint, I would go to a website. For an example I will use Nordstrom. In the bottom right-hand corner there would be a circular symbol - this will be our company symbol(still in the works but potentially a fashionable door). The user clicks the symbol and it opens what appears as a chat modal while remaining on the same companies page. Once the chat window opens at the bottom right hand side, it will say “Personalized Stylist” at the top and then below that it will have a few options:

	
Trending Items	Virtual Try-On
	
My Closet	
	
Social Proof	Style Quiz

Then below that will be a very straight forward button that says “Generate Suggestions”

And below that will be a chat bar where a user can chat with the AI bot.

When suggestions are generated, they will be generated specifically from whatever website the current user is on. If its Nordstrom, then the user will only be given suggestions from Nordstrom. When suggestions are given, the bot looks at the “My closet” and the images of clothing, shoes, bags, accessories, that are in the users closet, and it suggests options from the site to go with users items by scraping through the entire site and analyzing different styles, patterns, brands, uses, etc.. For example, if it sees a lot of things with stripes, it might suggest something with stripes, or if it sees that they wear a lot of denim, maybe it will suggest something that looks like it would work with what they already wear. Also, though, it needs to be able to differentiate between what patterns might clash and what may not. It needs to be somewhat intuitive and just because they wear denim doesnt mean that its always going to be perfect by recommending jeans. It needs to be able to differentiate between their brands that they like and then they styles on top of that. Perhaps 1/5 of suggestions are from a company that they didnt add in their style quiz but its a company that is like their other top companies. 1/5 of the suggestions will also be based on celebrities or things in pop culture that they selected that they like in their quiz as part of the social proof. 1/5 of the suggestions will be based on trending items, and then the other 2/5 will just be based on what the bot thinks they are most likely going to love and purchase and what will go best with what’s already in their closet. While this rounds out 5/5’s, it is important to remember that all 5/5’s should be suggestions that are based on what the user is most likely to love and wear and what will go with their closet best. We are not providing random options. We are providing options tailored specifically to the user and not just someone random. We want the user to feel heard. When the items are returned, it will return something like this:

- Clothing
- Shoes
- Hats
- Accessories
- Etc. (This is more of if there are any things I am forgetting about)

The user will then be able to click or tap on any of those and it will open a dropdown menu with roughly 10 options in a 2x5 grid like state. These will be the suggestions and the user will be able to search through them, looking at each for a good match or not. At first glance the user will see a heart or x on each item to either say they like the object or dislike the object. These observations will be a part of the bots learning for each user, so as to not recommend that option again and to learn from it as to what they like and dont. If they specifically like or purchase a style then it'll remember that as well. When they hover over an item or hold on it on mobile, it will open up a small menu over the item where the user can select(Add to dressing room, add to wishlist, add to cart, or Current outfit suggestions)

If they hit add to dressing room, it'll send that to the virtual try-ons where they can later visit and see all of their options.

If they hit add to wishlist it will send it to their wishlist.

If they hit add to cart, it'll prompt them on sizing and below that give them an option to complete the look. If they hit "complete the look" it'll automatically generate from the chat 3-5 options from across the site that will go with the current look whether it be a bag, shoes, a shirt, etc.

If they hit the current outfit suggestions, the bot will access the information from their current "My closet" and suggest recommendations based on their current fashion. Say that from the bots knowledge of style and trends, it generated this shirt because it thought it would go well with some specific plaid pants and brown boots the user already owns, then the bot could say in the chat: Wear it with your plaid pants and brown boots. I think it would look amazing with those.

Then from there the user can respond in the chat or ponder their thoughts.

Thats the middle ground and some of the chat feature right there. The chat feature below the middle ground will be primarily used for the above situations but also in the case that the user needs clothing for a certain event or occasion. Say that the user gets on and says, I need a dress for a certain occasion, then the bot will use its knowledge and scrape together a list of specifically 10 dresses. \*\* important to note\*\* when the user specifically is searching for something, it should return 10 options of said thing, and when it does return those, it will add them to the top of the already generated items. So something like this:

- Requested
- Clothing
- Shoes
- Hats
- Accessories
- Etc. (This is more of if there are any things I am forgetting about)

From there the user can see the items and if its something like a dress, then if they opt to complete the look it could suggest heels or something of that nature.

One thing to note with all of these options though is that we will know the users sizes from the quiz, so we should never suggest something that is not available in their size.

Also in the chat, if the user wants to specifically look for something like a certain item or that might go with a certain item there will be an image upload spot so that they can add an image and prompt it with something like "Find me something like this" or "find me something to go with this".

This is the home feature of this entire thing. From here it gets more straight forward.

When a user clicks on the **“Trending Items”** They will still remain in the chat modal type area, but the content will change to where they will see the top 100 trending items on that site at the time. This will be the same style as the other 2x5 grid but this will be 2x50 as it is 100 options. These will be based on likes and dislikes of users from across the globe for that users age range and gender. Say that the user is on Nordstrom and they are 18-25 years old and a female. Well those top 100 options are going to be the top 100 items to 18-25 year old females. The user can then do the same things they could with the other items on the main page with the like and dislike and holding on them or hovering over them to open the options. There will be a “home” button fixed at the top so that as the user scrolls, no matter where they are they can always return home.

The **“Virtual Try-On”** feature will also be a grid of the other options and it will include all of the items the user has selected to try-on. In this grid, if the user clicks on an item, it will open their camera on their computer or their phone. They will then be able to virtually try it on. Im thinking something like Zara’s try on feature is the best for now where it kind of overlays it and makes it form fitting but we can work on this to make it the best possible without being too overly complex for now. From there, at the bottom, the user can select the like on the right side of the screen or dislike on the left. If they want they can also hit a round circle in the center of the screen which will countdown from 5 and allow them to take a photo with it so that they can save that. If they hit dislike then it will remove it from their try on grid. If they hit like, then it will prompt them with two options (Add to cart, Add to Wishlist(we will talk about this soon)) After the user chooses an option between dislike, wishlist, and cart, it will bring them back to the try on room. From the try on room they can always return home with the fixed home at the top of the window.

The **“My Closet”** section is perhaps the easiest and most straight forward area. Its grid like with two sections and each section is 2xhowever many items there are:

“My Wishlist” at the top  
And “My closet” below that

My wishlist is made up of all of the items that the user added to their wishlist in the same 2xhowever many items grid.

Fixed at the bottom of the screen here is a white circle with a plus inside of it. If the user clicks it, it will take them to “add a new item to my closet” where they will select the clothing piece, style, color, pattern, etc, and then they will upload a picture. There is also obviously a back button once they are inside this area just in case if they need to go back to their closet and didnt mean to add an item. If they add an item, after it is successful it will take them back to their closet and wishlist section but they will now see the new item. The reason for having this thing with adding items to check style, color, pattern, and all of that is only to help the bots so that everything can be that much more concrete. Maybe we dont need it but I feel like it never hurts, but we should also make it only 3-5 questions at most so that the user doesnt feel like it takes too long for them to add their wardrobe. Maybe like “Item type, color, pattern”

As per usual from here there is the Home button fixed at the top of the main area in “My closet” and from there the user can return home.

**“Social Proof”** is a section that I feel like might be best if we have a small team doing the research for. When the user clicks on this section, they will be taken to a 2x10 grid of pictures of their favorite celebrities throughout the last month. At the bottom the chat bar will be included of this page. If they like the style or clothes, then they can hold onto the image or hover over the image and either select “Find something like this” or “Find this exact look”. The



reason why a team might be good here is because not only will we need them to research and find all of these images on a daily basis, but being able to find the brand items so that if they user selects "Find this exact look" it'll give them a text bubble that will detail out what they are wearing and if they have that item on the current site the user is on, and what the price is. For example:

Balenciaga City Bag - \$850 - in stock on Nordstrom

This link will be clickable if available on the current site and if the user clicks on it, it will load a preview of the item page below that in a 1x1 grid. The user can then do the same as they were able to earlier where they hold on the item or hover over it to either (add to dressing room, add to wishlist, or add to cart). The user can do this with all of the images in the social proof area and the social proof will be updated every Monday.

Last but not least is the style quiz. The style quiz is comprised of 25 multiple choice questions that will help to determine the users suggestions in addition to their current closet and likes and dislikes. On here will be celebrities, influencers, styles, and a few different sections where they will give their opinion on clothing choose 1 out of 3 items to refine their taste. Upon completion their style will be saved, but they can return at any time to retake the test if they feel like they need an update.

All of this will work together to give the shopper their best and most personalized experience possible. The user will be able to save time and get curated choices. This will link to a users account so upon their first sign up they will have to create an account and that is how everything will be stored. As more shops pick this project up, the users will just have to sign in at the new stores but won't have to keep resigning in as long as they save their information.

To keep track of things there will be a button to track all of the items added to cart from this. Also if users want to try something specific on from the site, they can upload a url into the chat and ask to find it. It will generate the grid version of that item and from there they can add it to try ons, wishlist, or cart.