Product Portfolio: Returns Mitigation

The Smart Fit Confidence Score

Goal: To reduce e-commerce apparel returns by 10 percent using data-driven trust.

Presented by: Vishal V | Transitioning APM

Problem Statement: The Cost of Sizing Uncertainty

Sizing Uncertainty is one of the major friction points in online apparel. Our simulated apparel return rate is an unacceptable 20%, driving millions in logistics costs and eroding customer trust. We're losing money and customers on preventable size/fit issues.

Our North Star: Business Success

We defined clear, measurable goals for our A/B test:

- **NORTH STAR METRIC:** Achieve a **10% Relative Reduction** in the return rate for the Test Group vs. Control.
- **GUARDRAIL:** The Add-to-Cart Conversion Rate cannot drop more than 2%

Metric Type	Metric Name	Definition / Target	Why We Measure This
Main Goal Metric	**Return Rate Reduction** (due to fit/size issues)	We want to see the return rate drop by at least **10%** in the group that sees the feature.	This is the whole reason we built the feature - to reduce cost.
Guardrail Metric	**Add-to-Cart Conversion Rate**	This rate must not drop by more than **2%** from the baseline.	We must make sure the warnings don't scare customers away from buying anything at all.
User Engagement	**Nudge Click/Hover Rate**	We want at least **15%** of people who see the score to click or hover on it to read more details.	This tells us whether the customers actually care about the information we are providing.
Business Impact	**Total Avoided Cost**	We will calculate the total money saved from eliminating shipping and processing for the returns we prevented.	This converts the feature's success into a clear dollar value (ROI).

The Product Core: A Dual-Data Confidence Model

The Smart Fit Confidence Score will be determined through the weighting of two critical data layers. We have designed this logic to be robust against generic user-reported return reasons.

Data Layer	Weight	What It Does	Why It Works
1. **Personalised Data**	**70%**	**Predicts fit for you:** Analyses your particular history of the sizes kept/returned in the past to infer your actual sizing profile	Corrects for individual body preference and purchase history bias.
2. **Aggregated Data**	**30%**	**Corrects Product Flaws:** Analyzes global return exchange patterns, such as M being frequently swapped for L, and review NLP to flag inaccurate sizing.	Corrects for manufacturing-labeling errors, while discounting indefinite user-reported reasons.

Key Takeaway: This feature prioritizes **long-term customer trust** over short-term, risky conversion.

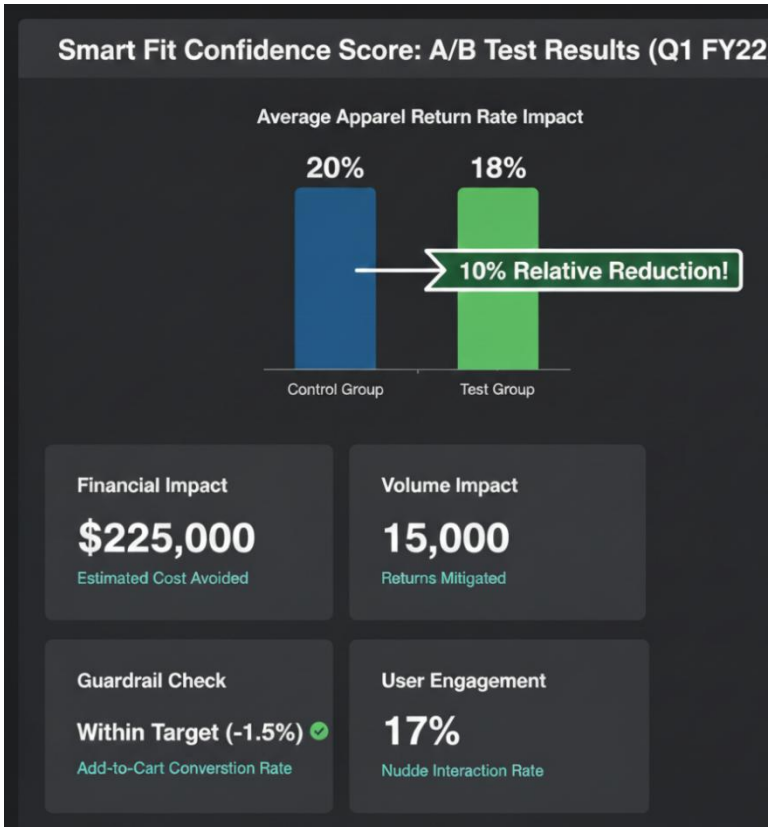
The UX Solution: Mitigation Through Transparency

The feature we designed acts like a proactive shopping assistant and will not prevent sales. We used a clean, clear visual design, leveraging color to manage risk.

Nudge State	Objective	Visual Impact
HIGH CONFIDENCE	**Purchase Accelerator**	**Green Nudge:** Reinforces buyer's choice, at minimum reducing second thoughts or doubts.
LOW CONFIDENCE	**Return Mitigator**	**Yellow Nudge:** This proactively prompts the user to size up to avoid a return likely and save them the headache.

Validation: Proving the $225,000 Impact

After running a 4-week A/B test, this feature hit its North Star Metric. In fact, the results show that Smart Fit Confidence Score delivered significant, measurable business value..



Key A/B Test Results	
Reducing Return Rate	**10% Relative Drop** (from 20% to 18%)
Estimated Cost Avoided	**$225,000**
Returns Mitigated	**15,000**
Guardrail Check	**PASSED** Add-to-Cart rate decreased only 1.5% - within the 2% limit

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Project Conclusion: Execution Ready

This project demonstrates the complete product lifecycle:

- **STRATEGY:** ROI definition and stakeholder alignment (PRD).
- **DESIGN:** Translating complex data into simple UX on Figma.
- **EXECUTION:** Using data to drive measurable business outcomes using PowerBI.