**3. Competitive Analysis**

**Company Profile:**

Our project aims to create an AI model that will be used in a mobile app-based virtual dressing room that will enable online users to virtually try on a variety of clothes, shoes, and other accessories with a three-dimensional model. It simulates three-dimensional (3D) models in real-time using artificial intelligence (AI) and virtual reality (VR) technologies.

With three-dimensional (3D) model virtual dressing room solutions, your company or organization can represent features of any person such as gender and size, fit and shape. Not only does it help you reduce the shopping cart abandonment rates, but the cost of returns for online retailers will also decrease.

**Mission, Tagline, Slogan and Main Value Proposition:**

Mission: To build an AI application for promoting customer shopping satisfaction with the use of a Virtual Fitting Room system.

Tagline: See the best, live the best.

Slogan: Gonna Be a While? Grab a Virtual.

Main Value Proposition: Lower customer apparel returns and boost sales. Increase customer satisfaction and trust in clothing brands’ sizes and styles.

**Products and/or Services:**

Main Customers: The main targeted customers for our product are online as well as offline shoppers. We will be targeting this audience as per their age group, gender and other shopping preferences based on our market analysis.

Service Offering: The service provided will be a fully functional AI-based virtual fitting room software that caters to the needs of both customers for having a better shopping experience and the retail stores for making sure proper data is rendered and return rates are reduced.

**Possible Internal Competition:**

Internal competition can be found from many factors such as funding possibilities concerning other projects in the pipeline, the number and importance of similar projects that have a better chance of getting funded, and the available resources for building a virtual fitting avatar.

**External Competition:**

To understand how the external competitors stand in this industry, we must look at their value proposition and market share. As per our analysis, this industry is a still growing one and thus has many potential use cases in other segments as well. Our selected competitors are - ELSE Corp, Fit Analytics, True Fit Corporation, and FXMirror Inc. To understand the nature of these competitors, we need to know their customer base, their funding capacities, strengths and weaknesses. Also, given most retail companies are trying to incorporate virtual features into their environment, there is a constant fast-paced advancement needed with respect to our competitors.

**Competitive Advantage:**

Given that the main aim behind having a virtual try-on feature for any retail company is to reduce their return rate and improve customer satisfaction and better their shopping experience, it is the best way forward to incorporate a highly accurate and entertaining model.

Our goal for this project will be to build a visually impressive and accurate system to ensure customer interaction is as fun as possible and with the best accuracy achievable.

**SWOT Analysis:**

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| --- | --- | --- | --- |
| **Strengths** | **Weakness** | **Opportunity** | **Threats** |
| Stronger representativeness through visual and behavioral correspondence. | Motion Sickness risks. | The global Virtual Fitting Room market size Is projected to reach USD 7.6 billion by 2024, growing at a CAGR of 20.9%. | Possibility that this technology may increase motion sickness in customers. |
| More enjoyable and relevant than the screen-based approach. | Current approaches use stationary footage due to limited opportunities for camera movements. | Increasing adoption of advanced technologies such as AR and VR offers a better shopping experience to customers. | Other companies are also trying to build virtual fitting rooms with much more realistic and interactive abilities. |
| Limited financial costs. | VR technology is still being developed and needs continuous upgrades to full-scale usability. | Trend of online shopping has increased the demand for virtual fitting room technology in retail and eCommerce. | Customers moving away from in-store experience. |

**Competitive Matrix:**

Since virtual fitting rooms is not a novelty proposal, we will have a lot of competitors following the same model and already being successful. We have identified some of our competitors to be ELSE Corp, Fit Analytics, True Fit Corporation, and FXMirror Inc to understand their business model and functioning so that we can gather more insights for our own model.

Below is the competitive analysis of potential competitors.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | ELSE Corp | Fit Analytics | True Fit Corporation | FXMirror, Inc. |
| Establishment | 2014 | 2010 | 2009 | 2004 |
| Size | 51-200 employees | 65 employees | 134 employees | 38 employees |
| Yearly Revenue | <$5 million USD | <$1 million USD | <$2 million USD | <$1 million USD |
| Headquarters | Milan, Italy | Berlin, Germany | Boston, United States | Seoul, South Korea |
| Company Stage | Seed Company | Acquired | Series C | Unfunded |
| Investor Count | - | 4 | 14 | - |
| Growth Score | 75/100 | 62/100 | 49/100 | - |
| Total Funding | $733k USD | $900k USD | $148 million USD | - |
| Competitive Performance | #9 among 259 competitors | #24 among 259 competitors | #3 among 259 competitors | #256 among 259 competitors |
| Strengths | Projects items on your own body.  High quality space-aware fitting.  Try on self-uploaded products. | High quality product rendering.  Adjust mannequin and item sizes.  Projects into user’s environment. | Shows how different sizes will appear on your body frame.  Easy to swipe around to try similar items. | Adjusts to user’s movements.  Simple interface.  Easy to swipe around to try similar items. |
| Weaknesses | Items projected on still photos.  Frontal view only.  Cannot try on different sizes. | Can’t view items on yourself.  Fitting is not specific to unique body proportions. | Projected items do not respond well to lighting changes.  No full product view, just frames and partial slides. | Projected items do not respond well to lighting changes.  No full product view, just frames and partial slides. |
| How product/service is offered | Cloud, web-based | AWS | Moving to cloud | Cloud-based |