

# **INTELLIFIT CASE:**

*Is this an Opportunity or just an  
Interesting Idea?*

**EXPERIENTIAL CLASSROOM XX  
SEPTEMBER 21, 2019**

## **Introduction**

What do great-fitting clothes and security scanning have in common? The answer: Small companies in both industries are licensing the same technology- the Millimeter Wave Holographic Scanning device. The technology, developed by the Pacific Northwest National Laboratory in Richland, Washington, provides a full-body, 360-degree imagery of a person in real time.

*R&D* magazine named this technology the most promising innovation of 2004. The technology has many potential applications, such as security screening. In fact, SafeView, a security company, has licensed the technology to build a glass booth that people can be asked to step into, and while standing in the booth, the technology can detect whether the person is carrying any weapons, explosives, plastics, or metals. The subject of this case, Intellifit, licensed the technology for an entirely different purpose. People can step into an Intellifit glass booth, and in 10 seconds, a scanner captures their exact body measurements. The measurements can then be compared to garment-sizing data from participating retailers, and in an instant, a person can know exactly what size of jeans will fit best at each retailer. Among other positive benefits, having this knowledge can save a great deal of time for the individual shopper.

Intellifit is currently deploying its system. Its potential customers include malls, large retailers like Levi's and Gap, and specialty retailers like bridal shops and plus-sized stores. Intellifit sees its system as the solution to a major source of frustration for shoppers --- poor-fitting clothes. It also sees its system as a solution to a major problem for retailers --- returns. The question, which at this point is too early to answer, is whether shoppers and retailers will actually use Intellifit's machines. In addition, the company can't be sure that the problem the firm has identified is compelling enough that shoppers and retailers, in large numbers, will take notice.

So, has Intellifit uncovered a genuine opportunity or does it just have some neat technology and an interesting idea? After reading the case, you decide.

## **Intellifit**

Intellifit was launched in 1999 as Made4Me, a custom-clothing maker. The founder, Albert Charpentier, who is now Intellifit's CEO, felt there was a demand for custom-made clothing. To acquire customers, he sent out 4,000 kits, which included a tape measure, instructions for how to measure yourself, and instructions for how to order custom clothes. Only 40 kits were returned with measurements and orders for custom clothes, so the idea was dropped. In 2002, Charpentier changed the name of his company to Intellifit. Intellifit briefly pilot-tested, at David's Bridal chain and plus-size retailer Catherine's, another approach for helping people get better-fitting clothes. This approach required a store's salesperson to use a tape measure to take 38 measurements of a customer's body and feed the measurements into a computer. The computer would then give customers a printout of their exact measurements. This approach was dropped, as retailers reported they didn't have enough salespeople to do the job and they were hesitant to put their customers through such a tedious ordeal. The next year, scanning technology from the Pacific Northwest National Laboratory was acquired by the company, and work on Intellifit's current measuring system was started.

Interestingly, Charpentier found out about the Pacific Northwest National Lab's technology while he was surfing the Internet one day looking for alternative body-scanning technologies he might use in his business. Intellifit's machine, named The Body Scanner took about 18 months to build and test.

## **The Body Scanner**

The Body Scanner is a fairly generously sized glass booth that a person steps into fully clothed. All a person has to do is remove metal objects, like keys, coins, and cell phones, from pockets before being scanned. The scanner, which is no more invasive than going through a security scanner at an airport, uses safe, low-power radio waves to capture about 200,000 data points on a person's body. A computer in the booth then condenses and analyzes the data and prints out measurements accurate to within a quarter-inch. Depending on the retailers that participate, a young woman that gets scanned and is interested in buying jeans might get a printout that says she is a size 4 at Gap, a size 5 at American Eagle, a size 5 at Levi's, and a size 4 at Internet retailer Lands' End.

The technology utilized by Intellifit's system is much less cumbersome than other systems that have been developed to help people get a good fit. Some scanners require shoppers to enter a private booth and partially undress. These machines have never gained traction. Lands' End, the Internet and catalog retailer, introduced a virtual model in 1998. It lets customers try on clothes in a virtual environment (meaning a computer model of a person's body is made and the computer tries clothes on the model). It also lets people see how clothes would fit if they were thinner. To its credit, Lands' End reports that tens of thousands of people have utilized the service. Intellifit sees Lands' End's success as a validation that people will spend time trying to get a better fit. Of course, it also believes that its system is superior to what Lands' End uses.

## **Markets for Intellifit's Body Scanner**

Intellifit has identified three potential market spaces for its Body Scanner.

1. *Malls.* Placing Body Scanners in common areas in malls and staffing them with Intellifit employees is the first potential market space. The service would be free to consumers, but retailers would pay Intellifit a monthly fee to have their clothing measurements appear on the printouts. Intellifit could also use this service to collect "blind" data (meaning the data are only reported in aggregate form, no individual measurements are shown) to sell to retailers to help them better understand the most common sizes of shoppers, by age group or some other characteristic, in their areas.
2. *Retail chains.* Another potential market is to sell Body Scanners, which price out at about \$50,000 apiece, to retail chains like Levi's and Gap. The chains could use the machines to help shoppers get a good fit and to differentiate themselves from their competitors. If the machines are heavily used, they could also help a retail chain control inventory, improve full-margin sell-through rates, and increase customer satisfaction by providing them with clothing items that fit properly.
3. *Specialty retailers.* Another realistic market, at the outset, may be specialty retailers, like bridal shops, plus-sized retailers, and tall-men clothing stores. These retailers serve people who are particularly concerned about a good fit. A specialty retailer like David's Bridal could advertise that it uses the Intellifit Body Scanning system so brides will be able to have their perfect dress fit perfectly!

## **An Idea or an Opportunity?**

It's too early to tell how successful Intellifit will be. According to an Intellifit press release, Intellifit systems were purchased and placed into Selectone Bryant stores, Catherines stores, David's Bridal stores, and After Hours Formalwear stores in late 2004. In fall 2005, Intellifit Body Scanning machines were placed in six malls in Pennsylvania. The first mall to receive the machine was the

Willow Grove Park mall, just north of Philadelphia. An article in the *Philadelphia Inquirer* in September 2005 reported the comments of some shoppers who used the service in the mall---with mixed results. One teenager said, "American Eagle gave me too small of a size. It said I'm a double zero. I'm not a double zero, I'm a 2." Another shopper, the mother of a 15-year-old girl who was scanned by the Intellifit machine, said she hopes the data will help her minimize the number of items she buys for her daughter and has to return. Her only complaint was that many of her favorite retailers were not yet participating in the service. Having more stores carry the Intellifit machine would solve this complaint. In mid-2006, additional stores (such as Levi Stores in Washington D.C. and Dallas, Texas) were considering Intellifit's product.

### Thought Questions

1. What are the attributes of an opportunity? Use these attributes to evaluate Intellifit. Based on your evaluation, is Intellifit an opportunity or just an interesting idea?
2. What environmental trends are working in Intellifit's favor? If Intellifit has uncovered a promising business opportunity, what environmental trends have made Intellifit's system possible and potentially attractive to consumers?
3. On two previous occasions, Intellifit (as Intellifit and Mode4Me) developed approaches for helping people get better-fitting clothes that didn't work out. What is different about Intellifit's current approach? What, if anything, gives Intellifit's current approach a better chance of succeeding?
4. Which of the three potential markets that Intellifit has identified for its device do you believe is the most promising? Which is the least promising? If Intellifit decides to place a large number of its machines in malls, how important is it that a large percentage of the retailers in the mall participate?

