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CustomFit: A Sustainable and Technological Approach to Personalised Lingerie through a Hybrid Business Model

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Master in Management

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Iscte – Instituto Universitário de Lisboa

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BUSINESS
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Department of Marketing, Operations and General Management

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Resumo

Esta pesquisa propõe um modelo de negócio abrangente para uma marca de lingerie personalizada, integrando tecnologia de digitalização 3D e práticas sustentáveis dentro de uma estrutura de retalho híbrida. O estudo aborda as principais preocupações dos consumidores, como precisão no ajuste, privacidade e produção ecologicamente consciente, combinando uma loja principal com sede em Paris com uma plataforma digital fácil de usar. Por meio de uma extensa revisão da literatura, análise competitiva e planeamento estratégico, a tese descreve como esse conceito inovador responde às crescentes demandas por personalização, integração tecnológica e consumo ético na indústria da moda. Metodologicamente, o estudo aplica técnicas de pesquisa mistas para validar a proposta de valor, avaliar a prontidão do mercado e medir as expectativas dos consumidores em relação à privacidade, conforto e sustentabilidade. Análises internas e externas fornecem insights sobre escalabilidade operacional, posicionamento competitivo e mitigação de riscos. Um plano de implementação detalhado, incluindo marketing, operações, estrutura organizacional e previsão financeira, apoia a viabilidade de lançar e expandir o negócio.

As conclusões sugerem que o aproveitamento da personalização, dos modelos híbridos de retalho e da sustentabilidade pode oferecer uma vantagem competitiva num mercado dominado por tamanhos padronizados e moda rápida. Este modelo de negócio não só responde às necessidades não satisfeitas dos consumidores, como também contribui para a inovação da indústria e a responsabilidade ambiental.

Palavras-chave: Lingerie personalizada, digitalização 3D, retalho híbrido, sustentabilidade, inovação na moda, personalização, privacidade de dados.

Classification Codes: M13, L67.

Abstract

This research proposes a comprehensive business model for a custom lingerie brand integrating 3D scanning technology and sustainable practices within a hybrid retail framework. The study addresses key consumer concerns, including fit accuracy, privacy, and eco-conscious production, by combining a Paris-based flagship store with a user-friendly digital platform. Through extensive literature review, competitive analysis, and strategic planning, the thesis outlines how this innovative concept responds to growing demands for personalisation, technological integration, and ethical consumption in the fashion industry.

Methodologically, the study employs mixed-methods research to validate the value proposition, assess market readiness, and measure consumer expectations regarding privacy, comfort, and sustainability. Internal and external analyses provide insights into operational scalability, competitive positioning, and risk mitigation. A detailed implementation plan, including marketing, operations, organisational structure, and financial forecasting, supports the feasibility of launching and scaling the business.

The findings suggest that leveraging customisation, hybrid retail models, and sustainability can offer a competitive edge in a market dominated by standardised sizing and fast fashion. This business model not only addresses unmet consumer needs but also contributes to industry innovation and environmental responsibility.

Keywords: Custom Lingerie, 3D Scanning, Hybrid Retail, Fashion Innovation, Personalisation, Data Privacy.

JEL Classification Codes: M13, L67.

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1 Introduction

The lingerie industry continues to face challenges in meeting the needs of women seeking garments that fit correctly. Many brands rely heavily on standardised sizing, leaving many customers with limited or unsatisfactory options. This situation creates a significant opportunity for businesses to offer more personalised and innovative solutions that align with modern consumer expectations.

This business plan presents a custom lingerie brand that combines the precision of 3D scanning technology with sustainable production methods. The business is meant to follow a hybrid model, operating both with a Paris-based store and an online platform. Customers can complete a non-invasive, private 3D scan at home or visit the physical store for an in-person fitting. The only important key focus will be the secure handling of personal data, with robust encryption protocols to make sure to have the trust and confidence of customers.

In addition to prioritising personalisation, the brand is committed to sustainability. Its operations will be based on eco-friendly fabrics, zero-waste production techniques, and ethical labour practices. These principles aim to meet the growing demand for transparency and responsibility among consumers in the fashion industry.

The target audience primarily consists of women with larger busts who often struggle to find lingerie that is both stylish and comfortable. Popular brands frequently offer limited options for this group, overlooking the diversity of body types and tastes. This business aims to meet that demand by providing high-quality, fashionable lingerie that highlights individual style. As time goes on, the brand intends to expand its product range and investigate new markets while remaining dedicated to inclusivity, personalisation, and innovation.

By addressing the key issues of fit, sustainability, and convenience, this custom lingerie brand aims to establish a new standard within the industry. Through innovation and responsible business practices, it aspires to create solutions that offer lasting value to both customers and the environment.

2 Literature review

In recent years, the fashion industry has undergone a profound transformation as digital technologies converge with shifting consumer expectations. Increasing demand for personalised and seamless shopping experiences has driven brands to adopt advanced tools and data-driven strategies. This chapter explores key dimensions of this technological and behavioural evolution, including mass customisation, 3D body scanning and virtual try-on innovations, changing consumer behaviour, data privacy concerns, sustainability initiatives, hybrid business models, user experience design, and the technological challenges underlying these developments. The literature reviewed encompasses both academic and industry sources, offering a comprehensive overview of how these trends collectively reshape contemporary fashion markets and business practices.

2.1 Customisation

The growing consumer preference for personalised products tailored to individual needs reflects a broader shift toward mass customisation within the fashion industry. Piller (2004) defines mass customisation as a production approach that delivers individualised goods and services to large numbers of customers simultaneously. This model has become particularly relevant in product categories such as lingerie, where conventional sizing often fails to accommodate diverse body shapes. Brands like ThirdLove, launched in 2013, have addressed these challenges by offering data-driven sizing systems and inclusive fit options, thereby capturing a segment of women seeking both comfort and style (Chandran, 2020).

Personalisation extends beyond accurate fit; it also satisfies consumers' desire for self-expression. Berger and Heath (2007) argue that personalisation enables individuals to communicate their identities through their fashion choices. In the contemporary fashion landscape, consumers increasingly prioritise personal identity and exclusivity over standardised, mass-produced designs. Allowing customers to participate in the design process, selecting fabrics, styles, and colours that create a stronger emotional attachment to the product, which in turn enhances brand loyalty and repeat purchasing behaviour (Pine & Gilmore, 2011; Kang & Kim, 2020).

Technology has become a critical enabler of mass customisation. 3D body-scanning technologies now allow companies such as Braave and Ari van Twillert to capture precise body measurements, resulting in garments that fit accurately from the first purchase. This innovation not only increases comfort but also reduces returns due to sizing errors, improving operational efficiency and sustainability (van Twillert, 2022; Kim et al., 2023).

However, customisation also presents operational challenges. Piller (2004) highlights that the costs associated with customisation, particularly those involving digital tools such as 3D

scanning, can be substantial. Companies must balance these expenses against the premium customers are willing to pay for bespoke products. Additionally, educating consumers on the use and benefits of digital fitting technologies is essential to drive widespread adoption (Park & Yoo, 2021).

Ultimately, customisation has a positive effect on consumer satisfaction and brand loyalty. Research demonstrates that customers who co-create or personalise products perceive higher value, leading to stronger emotional engagement and long-term profitability for brands that successfully integrate customisation into their business models (Lee, 2017; Pantano & Vannucci, 2022). In this sense, personalisation has evolved from a luxury offering to a standard expectation in a market saturated with mass-produced goods.

2.2 3D scanning and virtual innovation

The adoption of 3D body scanning has become a significant technological advancement in the fashion industry, particularly in the pursuit of personalisation and precise fit. This technology enables companies to capture exact body measurements, allowing the production of garments that not only fit better but also improve customer satisfaction. As noted by Song and Ashdown (2015), 3D scanning has disrupted traditional sizing systems that rely on standardised measurements and often fail to reflect the diversity of human body shapes. Within the lingerie sector, brands such as Ari van Twillert and Braave apply 3D scanning to design custom-fitting bras, thereby enhancing both support and comfort compared with standard mass-produced options (van Twillert, 2022).

The integration of 3D scanning into product development and retail reflects the increasing digitalisation of society, where technology becomes embedded across all stages of production and consumption. Xu (2018) highlights that 3D scanning improves garment accuracy and production efficiency by reducing material waste and minimising the number of physical fittings required. This advancement aligns closely with sustainability objectives, as it supports waste reduction and resource efficiency (Fletcher, 2014). By accelerating the fitting process and improving accuracy, 3D scanning also enhances the customer experience, offering a more convenient and individualised shopping journey. Companies such as DOUBL and Braave have further advanced accessibility by developing mobile applications that allow users to perform scans at home using smartphone cameras (DOUBL, 2022). According to company statements, these platforms apply secure data-handling protocols, including encryption and restricted data access, to protect customer privacy (Braave, 2021).

Despite its advantages, the implementation of 3D scanning across the fashion industry remains challenging. Piller (2004) points out that adopting new technologies often requires significant investment in infrastructure and user education. Moreover, consumers may hesitate

to share biometric data without explicit guarantees of privacy and security (Akçura & Srinivasan, 2005). Additional obstacles include differences in device compatibility and limitations in scanning accuracy for varied body types (Xu, 2018). Overcoming these issues is crucial to achieving large-scale adoption and consumer trust.

Looking ahead, fashion's digital innovation is expected to expand through the integration of augmented reality (AR) and artificial intelligence (AI) with 3D scanning systems. These technologies allow customers to virtually try on garments prior to purchase virtually, further improving personalisation and engagement (Verhoef et al., 2015). As adoption increases, the industry is likely to evolve toward hyper-personalisation, producing garments uniquely tailored to each individual's body and preferences. In this way, 3D scanning and related digital technologies are transforming fashion by delivering improved fit, more sustainable production processes, and enhanced customer satisfaction. Although cost and consumer-education challenges persist, these innovations represent a decisive step toward a more efficient and individualised future for fashion retail.

2.3 Consumer Behaviour and Digital Privacy Concerns

Consumer behaviour in the fashion industry has undergone a substantial transformation with the rise of digital technologies, particularly regarding issues of privacy and data protection. As online retail expands, the collection and storage of customer data, including sensitive information such as body measurements used for custom-fit garments, has become increasingly common. Consequently, digital privacy has emerged as a primary concern influencing consumer decision-making and engagement with online retailers.

The level of consumer trust is a determining factor in whether individuals are willing to share personal data online. Westin (2003) found that a significant portion of consumers express concern about how their data are collected, stored, and used. This concern is particularly relevant in fashion contexts involving 3D body scanning, where technologies gather detailed biometric information. Akçura and Srinivasan (2005) similarly observe that, despite perceived benefits, privacy risks can discourage consumers from adopting new technologies. Many people remain hesitant to use digital scanning tools due to fears that their data might be shared or misused without explicit consent.

To mitigate these concerns, companies must maintain high standards of data security and transparency. Smith et al. (2011) emphasise that businesses with clear, accessible privacy policies and robust encryption practices are more likely to gain consumer trust. For instance, Braave reports using bank-level encryption to secure body-scan data, thereby ensuring that customers feel confident using its technology (Braave, 2021). Providing consumers with control over their data, such as the ability to delete measurements after a purchase, can further

enhance comfort and willingness to engage with digital tools.

The General Data Protection Regulation (GDPR) in Europe has highlighted the importance of online privacy. According to Regulation (EU) 2016/679, businesses are required to obtain explicit consent from consumers before collecting personal data and must provide individuals with the right to access, modify, or erase that information. This legal framework has compelled fashion companies to strengthen their privacy protocols to comply with data protection standards and maintain consumer trust. Failure to meet these obligations risks both reputational and financial repercussions.

While privacy concerns remain prominent, research also indicates that consumers may be willing to disclose personal data in exchange for tangible benefits. Tucker (2014) and Dinev and Hart (2006) note that when users perceive a clear value or convenience from data sharing, such as improved product recommendations or personalised fitting, they are more likely to consent to such exchanges. Similarly, Franke et al. (2009) suggest that personalisation can drive engagement, as consumers often view data disclosure as an acceptable trade-off for a more tailored shopping experience. The challenge for businesses, therefore, is to balance personalisation benefits with respect for data privacy.

Moreover, transparency and communication are crucial in shaping consumer attitudes toward data-driven fashion technologies. According to Tucker (2014), openness about data-handling practices can alleviate consumer anxiety and foster trust. Brands that clearly communicate how customer information is used, for instance, by showing how body-scan data generates personalised fit suggestions, can transform privacy-sensitive interactions into more engaging and trustworthy experiences.

In summary, concerns surrounding digital privacy are increasingly shaping consumer behaviour in the fashion industry. As more brands adopt advanced technologies such as 3D scanning and virtual fitting, the ability to manage data ethically and transparently becomes essential. Companies that prioritise security, transparency, and consumer control are better positioned to build trust and encourage the adoption of digital tools. Although privacy concerns remain legitimate, businesses that demonstrate clear value and uphold strict privacy standards can strengthen customer confidence while enhancing the overall digital shopping experience.

2.4 Sustainability in the Fashion Industry

With increasing consumer demand for sustainable products, the fashion industry is undergoing a significant transformation to align with contemporary environmental and social expectations. The dominance of fast fashion has amplified issues related to waste generation and resource depletion, making sustainability a central concern for both researchers and practitioners.

Fletcher (2014) emphasises that the low-cost, disposable nature of fast fashion contributes to severe environmental harm through excessive water consumption, chemical pollution from dyeing processes, and the accumulation of unsold garments that are often discarded or incinerated. Growing consumer awareness of these impacts has resulted in rising expectations for corporate accountability and the adoption of sustainable practices.

In response, many brands are integrating sustainable materials and circular production models into their operations. By combining recycled fabrics with virgin fibres, companies such as DOUBL and ThirdLove aim to reduce waste and extend the life cycle of garments (DOUBL, 2022). The shift toward zero-waste production and circular design, which considers a product's whole life span from creation to reuse, reflects a broader movement toward minimising environmental footprints across the fashion industry (Fletcher, 2014). These initiatives appeal particularly to socially responsible consumers who prioritise ethical and environmentally conscious consumption.

Consumer behaviour increasingly reinforces the importance of sustainability. Kim and Park (2019) observe that Millennials and Generation Z consumers are more willing to pay a premium for fashion products that align with their values around social justice and environmental stewardship. These cohorts also demand transparency in sustainability claims, seeking verifiable evidence of a brand's sourcing, production methods, and labour conditions. Chapman (2018) further notes that brands demonstrating authentic and measurable progress in sustainability often experience stronger consumer loyalty and competitive differentiation.

However, sustainability initiatives are only effective when accompanied by transparent communication. Chapman (2018) argues that openness about sourcing practices, waste reduction strategies, and labour standards fosters trust and reinforces brand credibility. By proactively disclosing information about their environmental performance, companies not only comply with regulatory requirements but also meet the expectations of increasingly informed consumers who evaluate brands based on ethical accountability.

Conversely, firms that fail to integrate sustainability face growing strategic and reputational risks. As sustainable consumption becomes mainstream, businesses that ignore environmental responsibility risk losing market share to competitors with stronger sustainability credentials. Moreover, in the age of digital transparency and social media, unethical or unsustainable practices are rapidly exposed, amplifying reputational damage and reducing consumer confidence. This scrutiny is particularly pronounced in fashion, where manufacturing processes remain under close observation from regulators, media, and consumers due to their ecological and social implications.

Ultimately, sustainability has evolved from a voluntary initiative into a strategic necessity for fashion brands. Companies must integrate environmentally responsible materials, adopt

circular and zero-waste production methods, and communicate these efforts transparently to stakeholders. Doing so not only responds to consumer demand but also provides long-term differentiation and resilience in an increasingly competitive and ethically conscious marketplace. As the fashion sector continues to evolve, sustainability will remain a defining factor separating industry leaders from those unable or unwilling to adapt.

2.5 Hybrid Retail Business Models: Physical to Digital

The integration of physical stores into hybrid business models combining online and offline retail channels has fundamentally transformed how fashion companies interact with their customers. These omnichannel strategies aim to create seamless experiences in which shoppers can transition effortlessly between digital and physical environments. Verhoef et al. (2015) observe that omnichannel approaches enhance the overall customer experience, as consumers value the opportunity to engage with products across multiple touchpoints. This is especially relevant in fashion, where many customers prefer to try on garments in-store before completing purchases online for convenience.

Hybrid models connect physical and digital touchpoints to provide a comprehensive and consistent brand experience. While in-store visits allow consumers to assess fit and quality, online platforms complement this experience through personalisation features, customer reviews, virtual consultations, and 24/7 accessibility. Together, these elements foster deeper engagement, strengthen brand loyalty, and increase conversion rates. Brynjolfsson et al. (2013) note that retailers employing hybrid strategies often achieve higher customer satisfaction and sales performance by addressing diverse consumer needs through both physical and digital channels.

Within the lingerie sector, brands such as Ari van Twillert and Braave exemplify this dual approach by integrating in-store fittings with advanced 3D scanning via their digital platforms. Customers can either attend physical fittings or order products using digital measurement tools from home, accommodating both traditional and tech-oriented shoppers. This hybrid framework enables firms to reach broader audiences and personalise interactions across different shopping preferences.

Hybrid business models also allow retailers to remain agile amid market changes. Piotrowicz and Cuthbertson (2014) argue that omnichannel approaches provide flexibility in resource allocation between digital and physical operations, helping firms adapt to shifting consumer demand. The value of this adaptability became evident during the COVID-19 pandemic, when companies with integrated digital infrastructures sustained or even increased their sales, whereas those relying solely on brick-and-mortar operations faced severe disruptions.

A core strength of hybrid retail lies in its capacity to generate data-driven insights. As consumers move between online and offline channels, businesses can gather valuable information about purchasing behaviour, preferences, and engagement patterns. This data supports the creation of tailored shopping experiences, targeted communication campaigns, and personalised loyalty programs that enhance satisfaction and retention (Verhoef et al., 2015). In addition, the integration of physical and digital systems facilitates more efficient inventory management, enabling stores to function as showrooms or pickup points for online orders while extending product availability through digital platforms. Such coordination reduces operational costs and improves convenience for consumers.

Ultimately, hybrid business models represent a strategic response to the evolving expectations of digitally empowered consumers. By merging the experiential benefits of physical retail with the convenience and personalisation capabilities of e-commerce, fashion brands can offer seamless, flexible, and engaging shopping journeys. The ability to integrate these channels effectively is becoming a decisive factor for long-term competitiveness and growth in the global fashion industry.

2.6 User Experience and Customer Engagement in Online Retail

Online retail has become one of the most competitive environments in contemporary commerce, and user experience (UX), alongside customer engagement, has emerged as a decisive factor in determining business success. The digital age has reshaped consumer expectations, prompting companies to provide personalised, seamless, and intuitive shopping experiences. Consumers increasingly seek effortless navigation, tailored product recommendations, and efficient service, expecting every aspect of their journey to be frictionless. Consequently, personalisation has driven many fashion companies to adopt AI-powered recommendation systems and virtual try-on technologies to create more interactive and engaging retail platforms.

Integrating artificial intelligence (AI) into online fashion retail allows companies to derive valuable insights into consumer tastes and preferences. Advanced algorithms analyse purchase history, browsing patterns, and demographic data to recommend items most relevant to individual shoppers. This process enhances the overall shopping experience and improves sales conversion rates. Companies such as ThirdLove and True&Co. have implemented AI-based recommendation tools that provide customised lingerie suggestions derived from customer questionnaires and fit data. These systems contribute to higher satisfaction and loyalty by helping customers find suitable products, thereby reducing return and exchange rates.

Virtual try-on technologies further enhance engagement by allowing customers to

visualise how garments would appear on their bodies without visiting a physical store. Through augmented reality and 3D imaging, shoppers can simulate the fitting experience and make more informed purchasing decisions. Major retailers such as Zara and ASOS have adopted these tools to address one of online fashion's primary challenges, uncertainty about size and fit. Lee (2017) notes that such immersive experiences increase purchase confidence, reduce hesitation, and improve conversion rates, resulting in smoother and more enjoyable shopping journeys.

Beyond AI and virtual fitting, customer engagement is also strengthened through interactive and social elements such as customer reviews, live chat support, and virtual consultations. Kim and Park (2019) highlight that user-generated content, including peer reviews and social sharing, influences purchase decisions and fosters trust within online brand communities. When customers share authentic feedback, they enhance transparency and encourage community participation, allowing potential buyers to make decisions based on collective experiences.

Virtual consultations represent another growing trend, enabling customers to receive personalised styling advice or technical support remotely. Offering live assistance through chatbots or human experts adds value by providing immediate responses and minimising friction during the purchase process. Such interactions enhance satisfaction, shorten decision-making times, and ultimately improve conversion rates.

Enhancing user experience directly contributes to brand loyalty. Verhoef et al. (2015) assert that seamless and personalised digital interactions significantly increase repeat purchases, which are among the most critical indicators of e-commerce success. Businesses that invest in UX optimisation are more likely to cultivate long-term customer relationships and higher retention levels. Furthermore, mobile optimisation has become indispensable as more consumers use smartphones for online shopping. Mobile-friendly interfaces with responsive design, fast loading times, and intuitive navigation are essential for capturing the growing segment of mobile shoppers (Lee, 2017).

In summary, user experience and customer engagement are interdependent pillars of success in the online fashion industry. Digital tools such as AI-driven personalisation, virtual try-ons, interactive communication features, and mobile optimisation provide companies with effective strategies to attract and retain customers in a highly competitive marketplace. By prioritising seamless, individualised, and accessible experiences, fashion retailers can strengthen brand loyalty, increase repeat purchases, and ensure sustained growth in the evolving digital economy.

2.7 Technological Challenges and Opportunities in Fashion

The rapid adoption of advanced technologies, such as 3D body scanning, artificial intelligence (AI), and augmented reality (AR), is reshaping how garments are designed, produced, and sold within the fashion industry. While these innovations present transformative opportunities, they also introduce considerable implementation challenges related to cost, scalability, technical accuracy, and organisational readiness.

A significant barrier to adoption remains the cost of technological investment. Sophisticated infrastructure, such as 3D scanning systems, AI design software, and integrated data platforms, requires substantial capital expenditure. Smaller enterprises, in particular, face difficulties competing with larger firms that possess greater financial and technical capacity. The transition to digital tools often entails a steep learning curve, as employees must acquire new technical skills and adapt to altered workflows. Piller (2004) notes that scalability further complicates the integration of such technologies because customisation demands flexible production systems capable of accommodating diverse body types and complex designs. Consequently, technological transformation requires firms to balance innovation with operational feasibility.

Another critical challenge concerns technical accuracy and reliability. When using 3D scanning, errors can arise from improper device calibration or variations in scanning environments, especially in home-based applications. Song and Ashdown (2015) observe that translating 3D body data into precise garment patterns is complicated by inconsistencies among different scanning devices and user conditions. Such inaccuracies risk reducing customer satisfaction if final products fail to meet fit expectations, thereby limiting the broader diffusion of these technologies.

Despite these obstacles, the same technologies offer substantial opportunities for innovation and growth. 3D scanning enables brands to produce made-to-measure garments that provide superior comfort and fit compared with standardised sizing. This approach allows designers to understand body diversity better and develop more inclusive collections, thereby strengthening customer loyalty through personalised solutions. Similarly, AI-driven design tools assist creative teams by automating repetitive tasks such as pattern generation, grading, and sizing. Machine-learning algorithms can analyse market data, consumer preferences, and historical sales to forecast fashion trends and optimise production, helping firms minimise overstock and respond rapidly to market fluctuations.

The integration of AR technologies further expands digital engagement opportunities. AR-based virtual fitting rooms allow consumers to visualise how garments might look and move on their bodies, enhancing confidence and enjoyment in online shopping. These

immersive experiences bridge the gap between physical and digital retail, encouraging informed purchase decisions. Verhoef et al. (2015) suggest that such tools can significantly reduce return rates by helping customers better evaluate fit and style prior to purchase.

In summary, while cost, scalability, and accuracy remain notable technological challenges, the potential benefits of digital innovation in fashion are considerable. Companies that strategically invest in and adapt to these technologies are likely to achieve greater operational efficiency, customer satisfaction, and product personalisation. As digital transformation continues to evolve, forward-looking fashion brands will be well-positioned to leverage these advancements to drive competitiveness and sustainable growth in an increasingly technology-oriented marketplace.

3 Methodology

3.1 Introduction to the Methodology

This methodology aims to validate a business value proposition that aligns with customer needs and meets all market expectations. This section will assess the feasibility and attractiveness of combining custom-fit lingerie with 3D scanning technology for sustainability, aiming to draw actionable conclusions that refine the business model.

These objectives will be achieved through a mixed-methods approach, mixing both qualitative and quantitative research methods. Quantitative approaches, such as surveys and usability tests, will provide numerical data on customer satisfaction, purchase intent, and the functionality of the 3D scanning process. In contrast, qualitative approaches, including focus groups and interviews, will gather specific details related to customer preferences, perceptions of privacy, and attitudes towards sustainability.

It's an approach that will ensure holistic realisation of measurable outcomes and emotional and psychological drivers for consumer decisions. It ensures that the integration of multi-source data tests the validity at every aspect of the value proposition: customisation, technology, and sustainability.

3.2 Research Design

3.2.1 Market Research

To verify demand for custom-made bras and ascertain the target audience’s preferences with certainty, particularly regarding 3D scanning, technology in general, privacy, and sustainability, this methodology will employ both structured surveys and in-depth focus groups.

Structured surveys will be conducted among women within the initial target market, focusing on Paris and select online communities. These surveys will be designed to evaluate satisfaction with current lingerie options, interest in 3D scanning for customisation purposes, and the importance of privacy and sustainability when purchasing lingerie. Additionally, they will assess the willingness to pay a premium for customised products. Example questions will include: "How satisfied do you feel with the fit of your bras?", "Would you opt for bra customisation through 3D scanning on an online platform?", and "On a scale of 1 to 10, how important are privacy and eco-friendliness to you when making purchase decisions?"

Complementing the quantitative approach, focus groups with heterogeneous participants will be conducted to gather qualitative insights into emotional and practical issues. These discussions will explore topics such as trust in 3D scanning technology, perceived barriers to adoption, opinions on sustainability, and the overall value placed on custom-fit products. This

qualitative data will help uncover subtler dynamics that structured surveys overlook.

The integration of these methods will ensure a complete understanding of customer expectations, providing the business with actionable insights to refine its value proposition and successfully position itself in the evolving fashion and lingerie market.

3.2.2 Competitor Analysis

The objective of this methodology is to benchmark the proposed business against selected key competitors, specifically Braave, DOUBL, and ThirdLove. This analysis aims to identify areas of strength and weakness within each competitor's offering, as well as uncover potential opportunities for differentiation.

The first method of assessment focuses on competitor offerings. The analysis will consider the extent and quality of product customisation, the integration and usability of 3D scanning technology, and the approaches taken to ensure data privacy. By examining these features, the business will be able to identify areas where it can enhance its offerings, whether through technical improvements, a more intuitive user interface, or superior data protection policies.

Secondly, the study will compare the pricing models employed by competitors. This comparison will help determine current market expectations and inform decisions on how to balance affordability with premium features. Understanding the perceived value behind competitor pricing will enable the business to position itself in terms of cost and quality strategically.

Finally, customer reviews from each competitor will be analysed to identify common complaints and unmet needs. Areas such as dissatisfaction with product fit, concerns about data security, or limited focus on sustainability will be carefully noted. These insights can guide the development of a product and service offering that directly addresses these consumer pain points.

This evaluation will also examine the absence of hybrid business models within the competitor landscape. The integration of a physical retail presence with digital customisation tools represents a significant gap that the proposed business can occupy. Overall, this competitor analysis will provide the basis for a strategically differentiated market entry.

3.3 Testing the Technological Feasibility

3.3.1 Testing 3D Scanning Technology

The objective of this phase is to validate the accuracy, usability, and customer trust associated with the 3D scanning process. Ensuring that the technology functions reliably and is accepted by users is crucial to the success of the business model, particularly given the intimate nature

of the product and the sensitivity of the personal data involved.

Pilot testing will be conducted with a diverse group of participants using both the smartphone-based scanning application and the in-store scanning equipment. These trials will allow for a comparison between scanned measurements and manual fittings, thereby evaluating the precision and consistency of the technology. Particular attention will be paid to the ease with which users can complete the scanning process independently, especially when using mobile devices at home.

Participants will also be asked to share their level of comfort with the scanning process and their perception of the privacy safeguards in place. Quantitative metrics will include error rates in measurement accuracy, time taken to complete the scan, and satisfaction ratings on a scale from one to ten for usability and data privacy.

In addition to numerical data, qualitative feedback will be collected through open-ended questions to identify user-reported strengths and weaknesses in the scanning experience. These insights will be critical for refining the scanning process, ensuring it meets high standards of functionality, user-friendliness, and consumer confidence.

3.3.2 Testing the Online Platform

The objective of this stage is to ensure that the online platform offers a seamless, intuitive, and engaging user experience for customising and ordering bras. Given the brand's focus on personalisation and convenience, the digital interface must meet high standards in usability and functionality.

Usability testing will be conducted with a representative sample of participants, who will be asked to perform a series of essential tasks. These tasks include uploading or completing a 3D scan, selecting various customisation options such as fabric and style, and completing the checkout process. Each step will be monitored and evaluated to determine how efficiently and comfortably users can navigate the platform.

Key metrics for evaluation will include navigation efficiency, measured by the time taken to complete each task; error rates, defined by navigation problems or steps requiring assistance; and satisfaction scores, gathered through participant feedback on the ease of use, customisation flexibility, and overall experience.

Particular attention will be given to how the platform leverages scanned body measurements to provide accurate recommendations and generate a truly personalised fit. This analysis will help identify areas where the platform succeeds and where further optimisation is required to maximise customer satisfaction and conversion rates.

3.3.3 Addressing Technological Challenges

The objective of this component is to identify and mitigate potential barriers to adopting the 3D scanning technology and the associated online platform. For the business to scale successfully, it must ensure that the technology is not only functional but also adaptable, accessible, and trusted by a broad and diverse user base.

To achieve this, the scalability of the 3D scanning process will be evaluated across a variety of body types and scanning environments. This includes testing the technology's performance in different lighting conditions, levels of user mobility, and space constraints, all of which can affect accuracy and user experience. In addition, compatibility testing will be conducted across a wide range of customer devices, particularly smartphones and tablets, to ensure the app-based scanning feature is accessible to the majority of users.

Furthermore, special attention will be given to understanding and addressing user concerns regarding data privacy and security. This includes analysing perceptions of risk related to body data collection and ensuring the business adheres strictly to GDPR and other relevant privacy regulations. This analysis will inform the development of transparent privacy policies, clear consent procedures, and robust data protection measures, all of which are crucial for fostering trust and widespread adoption.

3.4 Customer Validation

3.4.1 Addressing Technological Challenges

The objective of this phase is to evaluate customer satisfaction with the fit, comfort, and quality of customised bras produced using 3D scanning technology. This step is essential for assessing the effectiveness of the technological and operational aspects of the business model, as well as validating the overall customer experience.

A small batch of prototype bras will be manufactured based on 3D scanning data collected from a representative group of participants. These products will then be distributed to the participants, who will provide feedback through both qualitative and quantitative methods.

In-depth interviews will be conducted to gather detailed, personal insights into users' experiences with the fit and comfort of the product, as well as their perceptions of its value. Structured surveys will complement these interviews by collecting measurable data on specific attributes such as material quality, fit accuracy, and overall satisfaction with the customisation process.

Key metrics for evaluation will include satisfaction ratings on a scale of one to ten for fit, comfort, and quality. The likelihood to recommend the product will be measured using the Net Promoter Score (NPS). At the same time, repeat purchase intent will be assessed by asking

whether participants would choose to buy another customised bra in the future.

Additionally, open-ended survey responses will be analysed to identify specific areas for improvement. These may include issues related to discomfort, material durability, or interest in expanded customisation features. Insights from this evaluation will directly inform product refinement and enhance the customer value proposition.

3.4.2 Value Proposition Refinement

The objective of this final phase is to refine and optimise the value proposition by integrating customer feedback gathered throughout the product testing and evaluation stages. This step ensures that the business remains aligned with both customer expectations and its foundational goals of customisation, sustainability, and digital innovation.

To achieve this, a synthesis of all quantitative and qualitative data will be undertaken. Feedback collected from satisfaction surveys, usability testing, and in-depth interviews will be analysed collectively to identify recurring themes, highlight strengths, and expose areas requiring improvement.

Particular attention will be given to resolving everyday issues raised by participants. These may include enhancing the precision of fit algorithms, expanding the selection of materials, or improving the functionality and accessibility of the scanning and customisation interface. This process is crucial for creating a seamless user experience and establishing trust in the brand.

Following this, a clear prioritisation of features will be established. Customer needs and demand frequency will guide adjustments and new developments. Examples may include the addition of more detailed customisation options, reduction of lead times in production and delivery, or the introduction of alternative eco-friendly fabric choices.

The outcome of this phase will be a thoroughly refined and market-responsive value proposition that upholds the brand's core principles while delivering a superior experience tailored to the preferences and expectations of its target audience. This iterative approach will support the long-term competitiveness and relevance of the business in a dynamic consumer landscape.

3.4.3 Engagement Through Pilots and Early Adopters

The objective of this strategic initiative is to build strong, lasting relationships with early adopters by involving them directly in the product development process. This engagement not only enhances customer loyalty but also generates valuable insights that support continuous product and service improvement.

The process will begin by granting a select group of early adopters exclusive access to

prototype products and the full range of customisation tools before they are made available to the general public. This early access will be presented as a privileged opportunity to influence the direction of the brand, positioning participants as key contributors to its development.

To encourage meaningful feedback, incentives will be offered in exchange for participation. These may include future product discounts, complimentary upgrades, or early access to new releases. Emphasising the impact of their feedback on improving the business offering will foster a collaborative and transparent environment, increasing engagement and trust.

Beyond transactional interactions, early adopters will be actively involved in decision-making processes. They will be invited to contribute to future product design and feature development, transforming them from passive users into co-creators. This participatory approach will strengthen their sense of ownership and deepen their connection to the brand.

To further cultivate loyalty and engagement, a community space will be established where early adopters can interact with each other and with the brand. This could include private forums, live sessions with the development team, or exclusive events. The creation of this community reinforces the feeling of being heard and appreciated.

The intended outcome is a loyal group of early adopters who not only shape product refinement but also serve as brand ambassadors. Their genuine and enthusiastic word-of-mouth promotion will enhance the brand's visibility and credibility, facilitating organic growth and a more substantial market presence.

3.5 Measuring Sustainability

This part evaluates the business's environmental and ethical practices to ensure alignment with consumer expectations and sustainability goals. It includes testing recycled and biodegradable materials for durability and cost-effectiveness, as well as gathering consumer feedback on their expectations and willingness to pay for eco-friendly products. The findings will guide material choices, production decisions, and marketing strategies, positioning sustainability as a core brand principle while maintaining quality and competitiveness.

3.5.1 Key Performance Indicators (KPIs)

The objective of this final step is to define clear and measurable benchmarks that evaluate the business's success in validating its value proposition and achieving its strategic goals. These indicators will provide a practical framework for monitoring progress, guiding decision-making, and ensuring accountability across all key dimensions of the business model.

To begin with, key performance indicators will be established to assess customer satisfaction and loyalty. These include the likelihood of customer referrals, measured through

Net Promoter Scores, and return rates, which indicate the proportion of customers who make repeat purchases. Together, these metrics provide insight into how effectively the business is meeting customer expectations and generating brand loyalty.

The effectiveness of technology will be assessed by comparing the accuracy of 3D scans with manual fittings and tracking the percentage of users who complete purchases on the digital platform. These figures will reveal the usability and reliability of the scanning technology, as well as its impact on customer conversion.

Market interest will be measured through survey engagement levels and growth in reach, particularly the number of new customers acquired during the initial market launch. These indicators will help determine overall demand and awareness in the target demographic.

Sustainability performance will be tracked by monitoring the percentage of eco-friendly materials used in production and collecting customer feedback regarding the visibility and impact of the brand's sustainability efforts.

The business aims to exceed industry standards in customer satisfaction, integrate sustainable materials into over 50% of its products by the end of year two, and reach a milestone of 1,000 active customers within the first 12 months of launch. These targets will serve as foundational benchmarks for evaluating the venture’s effectiveness and long-term viability.

3.5.2 Ethical Considerations

The objective of this component is to uphold the highest ethical standards and ensure full compliance with data protection regulations across all aspects of the business. Given the sensitive nature of personal information, especially biometric data obtained through 3D scanning, it is critical to implement robust privacy protocols that prioritise user trust and regulatory alignment.

To achieve this, comprehensive data protection measures will be adopted. All customer information, including scanned body measurements and personal preferences, will be encrypted and stored securely, according to the General Data Protection Regulation (GDPR) and other relevant data protection laws. The security infrastructure will be designed to prevent unauthorised access and data breaches, ensuring that customer information is protected at every stage.

Equally important is the provision of transparent communication with customers. Clear and accessible explanations will be provided regarding the collection, storage, and use of their data. This is particularly crucial for technologies like 3D scanning, where customers may have concerns about privacy and the long-term handling of their data.

Additionally, customers will be given complete control over their personal information

through user-friendly privacy management tools. These tools will allow them to review, modify, or delete their data at any time, reinforcing a sense of autonomy and respect.

The outcome of these measures will be the establishment of a trustworthy brand reputation. By prioritising ethical standards and privacy rights, the business will foster long-term customer loyalty and strengthen its credibility in a market where data sensitivity is increasingly central to consumer decision-making.

3.6 Conclusion

This methodology integrates key aspects of customer validation, technological testing, and sustainability measurement to align business goals with market demands and consumer needs. The approach ensures that every facet of the business, from product design to ethical practices, is evaluated and refined based on robust data and feedback.

Through this comprehensive framework, the business is well-positioned to deliver products that resonate with customers, meet sustainability goals, and maintain ethical standards. By continually refining processes and listening to its audience, the company can secure a competitive and trusted position in the market while fostering meaningful, long-term growth.

4 External Analysis

4.1 Introduction

This analysis explores the external environment for a custom lingerie business, focusing on how market dynamics, emerging trends, and external challenges may shape its operations. By examining key factors such as consumer behaviours, industry developments, and competitive activity, this evaluation provides actionable insights to help the business align with market demands.

A focus is placed on areas central to the brand's value offering, including personalisation, environmentally responsible practices, and advanced technology. Current market trends, such as the rise of sustainability-focused purchases and the increased reliance on digital tools like 3D scanning, are examined to determine how these elements shape customer expectations. Additionally, the analysis considers the competitive landscape, identifying major players and potential challenges they pose.

By examining untapped opportunities, such as emerging technologies or evolving customer priorities, and preparing for risks like regulatory shifts or heightened competition, this section helps to formulate a strategy that ensures resilience and market relevance. This overview ultimately supports the creation of a forward-thinking, customer-driven business model.

4.2 Current Market Trends

Staying ahead in the fashion and lingerie industry requires understanding key market dynamics. Current trends, such as customisation, sustainability, and digital innovation, are reshaping consumer preferences, and businesses must adapt to remain relevant.

4.2.1 Customisation in Fashion

Today's consumers value individuality and products tailored to their needs. Personalisation has evolved into a key differentiator for brands, with advanced tools such as 3D scanning and AI enabling precise customisation. These technologies enable companies to offer products that fit perfectly, addressing one of the most significant pain points in the fashion industry: poor sizing.

Brands such as Braave and ThirdLove have effectively tapped into this trend by developing tailored lingerie solutions that deliver exceptional comfort and fit. Consumers are increasingly accepting the fact of paying a premium for bespoke items that align with their preferences, highlighting a shift towards self-expression through fashion. For a custom lingerie business, embracing these technologies to offer personalised fits in inclusive sizes presents a

competitive edge.

4.2.2 Sustainability in the Fashion Industry

Environmental consciousness is reshaping consumer behaviour, and sustainability has become a non-negotiable aspect of the modern fashion business. Shoppers now expect transparency and accountability from brands regarding their production practices and material choices.

Forward-thinking companies like DOUBL and Ari van Twillert are setting benchmarks by integrating recycled fabrics and adopting zero-waste production models. These initiatives resonate strongly with younger generations, who are increasingly making eco-conscious purchasing decisions. A custom lingerie brand that incorporates sustainable materials and emphasises ethical practices not only meets these expectations but also builds trust and loyalty with its audience.

4.3 Digital Transformation in Retail

The retail landscape has undergone a massive transformation with the integration of technology. Consumers now expect seamless shopping experiences across online and offline channels, making omnichannel strategies a standard requirement for businesses.

Innovative tools such as virtual try-on technology and AI-powered product recommendations enhance convenience while personalising the shopping journey. Companies like True&Co. and Braave lead the way by offering digital solutions that make it easier for customers to find products that suit their needs without visiting a physical store.

By blending a strong online presence with in-store capabilities, a custom lingerie business can cater to a diverse range of consumer preferences. A hybrid model enables customers to engage with the brand on their own terms, thereby increasing accessibility and overall satisfaction.

The rise of customisation, sustainability, and digital transformation highlights the opportunities for businesses willing to innovate. By strategically incorporating these elements, a custom lingerie business can align with modern consumer values while differentiating itself in an increasingly competitive market.

4.4 Future Market Prospects

The custom lingerie industry is expected to experience significant growth due to advancements in technology, shifting consumer preferences, and evolving regulatory requirements. These developments present opportunities for businesses to innovate while navigating challenges.

4.4.1 Technological Progress

Emerging tools like 3D scanning, artificial intelligence, and augmented reality are transforming the way personalised products are created. Improved 3D scanning will enable customers to take precise measurements from the comfort of their own homes, simplifying the process. Similarly, artificial intelligence can analyse customer feedback to refine fit recommendations and ensure better personalisation.

Blockchain technology is also being explored as a means to enhance transparency in supply chains, enabling brands to demonstrate their commitment to ethical sourcing. Additionally, virtual reality experiences are expected to offer new ways for customers to engage with brands and design their products online.

For a custom lingerie business, embracing these innovations can create a smoother and more engaging customer journey.

4.4.2 Consumer Behaviour Trends

Customers today place a strong emphasis on products that cater to their individual needs. The growing demand for customisation is particularly relevant in lingerie, where comfort and proper fit are critical. Shoppers are increasingly seeking solutions tailored to their preferences, creating an opportunity for brands that can deliver.

Sustainability remains a top priority as consumers become increasingly aware of environmental issues. Many buyers now expect brands to use eco-friendly materials and adopt ethical practices. Younger generations are particularly vocal about supporting companies that align with these values.

Data privacy has also become a key concern. As technology becomes more integrated into shopping experiences, customers want assurance that their personal information is secure and handled responsibly.

4.4.3 Regulatory Factors

Governments are introducing stricter policies around data protection and environmental sustainability. For example, the European Union’s GDPR sets high standards for handling customer data, requiring businesses to ensure transparency and compliance. Other regions are likely to follow suit with similar regulations.

On the sustainability front, initiatives like the EU’s Circular Economy Action Plan aim to reduce waste and promote resource efficiency. Brands that proactively align with these requirements will not only meet regulatory expectations but also build credibility with consumers.

4.5 Data Collection Methods

Gathering accurate and actionable data is essential for validating the business model and understanding consumer needs. By using both primary and secondary research methods, the business can develop a comprehensive understanding of its target audience, market trends, and competitive positioning.

4.5.1 Primary Data Collection

The research methodology includes structured surveys, focus groups, and prototype testing to gather comprehensive insights into consumer behaviour, preferences, and attitudes toward customised lingerie.

Surveys and questionnaires will target women within the initial market scope, specifically in Paris and selected online communities. These surveys are designed to capture quantitative data on consumer preferences and openness to technological innovation in the lingerie industry. Key questions include: “What challenges do you face with your current lingerie in terms of fit and comfort?”, “Would you be open to using 3D scanning technology for online customisation?”, and “On a scale of 1 to 10, how important are privacy and eco-friendly materials when purchasing lingerie?” This data will reveal trends in demand, willingness to adopt digital customisation tools, and the prioritisation of ethical and sustainable values, especially among younger demographics who increasingly expect brands to align with environmentally responsible practices.

Focus groups will provide qualitative insights by facilitating interactive discussions. These sessions will delve deeper into the motivations and hesitations related to product fit, privacy concerns surrounding biometric scanning, and sustainability expectations. The qualitative nature of these discussions enables an exploration of the emotional and practical factors that influence consumer decisions.

Prototype testing will complement both research streams by allowing participants to engage with the actual product and scanning process. Feedback will centre on fit accuracy, comfort, and user experience during the customisation journey. These insights will be instrumental in refining the business model to align closely with the real-world expectations and needs of the target market.

4.5.2 Secondary Data Collection

To strengthen the foundation of the external analysis, secondary data sources will be examined through a combination of market reports, competitor benchmarking, and academic research. These resources will provide critical insights into industry trends, consumer behaviour, and

technological innovation within the fashion and lingerie sectors.

Industry publications and market research reports will be reviewed to identify current and emerging trends in custom-fit apparel, digital retail technologies, and sustainability initiatives. Leading sources such as McKinsey's fashion insights and Statista will be utilised to access data on market size, growth projections, and consumer behaviour patterns. These reports will offer a macroeconomic perspective and inform strategic planning by highlighting shifts in customer preferences and digital adoption rates across the industry.

Competitor benchmarking will involve a detailed analysis of key players, including Braave, DOUBL, and ThirdLove. This assessment will cover their pricing strategies, technological features, and approaches to customer engagement. Special attention will be paid to their use of 3D scanning, data privacy measures, and sustainability claims. By evaluating customer feedback and market positioning, this analysis will identify areas where the proposed business can effectively differentiate itself from its competitors.

Ultimately, academic research will provide a theoretical foundation for validating market and technology. Peer-reviewed studies on 3D body scanning, digital consumer behaviour, and sustainable fashion will support the methodology with evidence-based insights. This academic foundation will help bridge the gap between theoretical models and practical implementation, ensuring the business strategy is grounded in current scientific and market understanding.

4.5.3 Emerging Data Collection Tools

Digital tools will play a vital role in collecting real-time data and monitoring market sentiment. Web analytics platforms such as Google Analytics will be employed to track website engagement, providing insights into user behaviour, navigation patterns, and the most frequently used features on the online customisation platform. This data will inform design improvements, user experience optimisation, and marketing strategies by identifying which demographics are most actively engaging with the service.

In parallel, social media monitoring tools will be used to conduct sentiment analysis and observe ongoing conversations on platforms such as Instagram and Twitter. These tools will help track public discourse surrounding lingerie customisation, sustainability, and emerging consumer values. Additionally, social listening will help identify key influencers and opinion leaders who align with the brand's mission and may serve as strategic partners for future marketing campaigns.

By integrating these digital insights with the findings from primary and secondary research methods, the business will benefit from a comprehensive and balanced understanding of the market. This approach ensures that strategic decisions are informed by both quantitative trends and qualitative nuances, enabling the brand to remain responsive and relevant to the

evolving expectations of its consumers.

4.6 Data Analysis Processes

The insights gathered from data collection require careful analysis to guide business decisions. By using both qualitative and quantitative methods, patterns and trends can be identified, enabling the company to refine its value proposition and effectively address market needs.

4.6.1 Quantitative Analysis

Survey data will be analysed using tools such as Excel and SPSS to generate quantitative insights into consumer behaviour and market readiness for custom-fit lingerie. The analysis will focus on several key dimensions. Firstly, customer preferences will be measured by identifying the proportion of respondents who express interest in using 3D scanning technology for personalisation. Secondly, decision-making factors such as the importance of privacy, sustainability, and comfort will be evaluated to understand their weight in the consumer's purchasing process. Thirdly, pricing expectations will be analysed by demographic segments to determine consumers' willingness to pay for customised lingerie products.

In parallel, market insights will be extracted from reputable industry reports to examine broader trends in personalisation, digital retail, and sustainability-driven purchasing. These reports will provide data on the growth of online shopping preferences and the increasing demand for environmentally conscious products, helping to contextualise the primary research findings within larger consumer shifts.

Finally, competitor metrics will be benchmarked to assess industry standards in pricing, product offering, and digital engagement. By evaluating how competitors such as Braave, DOUBL, and ThirdLove position themselves in the market, the analysis will uncover opportunities where the proposed business can offer a differentiated and competitive advantage. This multi-source approach ensures that conclusions are based on robust, data-driven evidence.

4.6.2 Qualitative Analysis

Qualitative data from focus groups and interviews will be analysed to uncover recurring themes and sentiments that provide deeper insight into customer expectations and concerns. This analysis will focus on several critical areas. First, challenges with existing lingerie products will be explored, particularly issues such as poor fit, discomfort, or lack of inclusive sizing options, which are commonly reported in traditional offerings. Second, the perception of value will be examined to assess how participants weigh the benefits of customised products and sustainable business practices in their purchasing decisions. Third, potential

barriers to adoption will be identified, especially those linked to the use of new technologies. These may include concerns about data privacy, ease of use, or the perceived complexity of 3D scanning processes.

In parallel, customer reviews from leading competitors such as Braave, DOUBL, and ThirdLove will be analysed to identify gaps and common complaints. For example, frequent dissatisfaction with fit accuracy, delays in delivery, or inadequate customer service may signal areas where the new business can introduce meaningful improvements. By triangulating findings from both primary interviews and secondary customer feedback, the company will gain a clear understanding of consumer pain points and areas for innovation.

4.6.3 Social and Web Data

Social media trends will be monitored to gauge public discourse and emerging consumer preferences related to lingerie customisation, sustainability, and technological innovation. Platforms such as Instagram and Twitter will be analysed using social listening tools to capture real-time discussions, user sentiment, and influencer engagement. This qualitative data will offer valuable context for understanding how potential customers perceive the brand's core concepts and where current market interests are concentrated.

In conjunction with social insights, website analytics tools, particularly Google Analytics, will be employed to evaluate user behaviour on the brand’s digital platform. Metrics such as page visit frequency, time spent on site, and drop-off points will help identify which elements of the website are most engaging or problematic. These findings will inform continuous optimisation of the user interface and overall digital experience, ensuring that the platform aligns with consumer expectations and enhances the customisation journey.

4.6.4 Competitive Insights

Comparing data on competitor performance with the business’s findings will reveal opportunities for differentiation. For instance, identifying where competitors fall short on privacy or sustainability efforts can help the company position itself as a stronger alternative.

4.7 Identification of Opportunities and Threats

Understanding the external environment helps the business identify key opportunities for growth while addressing potential challenges. This section highlights the primary opportunities and threats derived from market analysis and industry trends.

4.7.1 Opportunities

Several external opportunities exist that can be strategically leveraged to enhance the

competitiveness and appeal of the proposed business.

First, advancing technology presents significant potential. Innovations in 3D scanning and AI-driven customisation are transforming the fashion industry, making personalised products more accessible and user-friendly. These technologies can simplify the custom-fit process, reduce user friction, and foster trust, especially among first-time customers, by offering accurate and efficient fittings.

Second, the growing emphasis on sustainability presents an opportunity for brand differentiation. As consumer awareness of environmental impact grows, there is an increasing demand for eco-conscious products. By integrating recycled materials and adopting zero-waste production methods, the business can position itself as a leader in sustainability. This not only aligns with evolving consumer values but also strengthens brand credibility in a market increasingly shaped by ethical considerations.

Third, adopting a dual business model that combines a physical retail presence with an online platform provides strategic flexibility. The in-store experience allows for direct customer interaction and personalised fittings, while the online platform expands reach and accommodates convenience-driven consumers. This hybrid model ensures accessibility and broader market penetration across diverse customer preferences.

Fourth, the custom-fit lingerie market offers substantial niche potential. In particular, the brand can cater to underserved groups such as post-mastectomy patients or individuals with atypical body shapes. Addressing the specific needs of these segments presents a unique opportunity for differentiation and market expansion.

Ultimately, the strategic use of social media platforms, such as Instagram and TikTok, provides opportunities for targeted digital outreach. These channels enable brand storytelling, influencer collaborations, and personalised marketing campaigns aimed at younger, tech-savvy consumers. Engaging with audiences who prioritise sustainability and personalisation can strengthen brand loyalty and accelerate growth through organic visibility and digital word-of-mouth.

4.7.2 Threats

Despite numerous opportunities, several external threats must be acknowledged and managed to ensure the long-term viability of the business.

Firstly, the competitive landscape poses a considerable challenge. Established players such as Victoria’s Secret and other multinational lingerie brands are beginning to explore personalisation and 3D scanning technologies. These companies benefit from substantial financial resources, advanced infrastructure, and widespread brand recognition, which can overshadow emerging businesses and limit their market share.

Secondly, navigating regulatory complexity is a significant operational risk. Compliance with data protection laws, particularly the General Data Protection Regulation (GDPR), requires stringent security protocols for managing biometric and personal data. Simultaneously, meeting evolving sustainability standards demands additional investment in ethical sourcing, production monitoring, and transparency. Non-compliance could lead to legal consequences, reputational damage, and erosion of consumer trust.

Thirdly, economic volatility presents another pressing concern. Periods of inflation or financial uncertainty often lead to reduced discretionary spending, particularly for premium and non-essential items, such as custom-fit lingerie. In such conditions, price-sensitive consumers may prioritise affordability over innovation, which can adversely affect sales performance and customer acquisition.

Fourthly, the implementation of 3D scanning technology introduces technical and logistical challenges. Ensuring scan accuracy across diverse body types, maintaining compatibility with various consumer devices, and mitigating privacy concerns require extensive development and testing. Any shortcomings in these areas could undermine user confidence and limit adoption.

Lastly, limited consumer awareness remains a barrier to market penetration. Custom-fit lingerie and the use of 3D scanning are still novel concepts to many consumers. Significant educational efforts will be necessary to convey the value proposition clearly, dispel misconceptions, and encourage trust, especially among older or less digitally literate demographics. Failure to achieve this could result in slower adoption rates and diminished market traction.

4.8 Conclusion

The external analysis reveals a rapidly changing custom lingerie market, shaped by growing consumer interest in personalisation, sustainability, and innovative technology. These trends present opportunities for businesses to stand out by offering custom-fit products, utilising advanced tools such as 3D scanning, and adopting environmentally conscious practices.

Despite these opportunities, the market faces rising competition, regulatory complexity, and technological challenges. Addressing these risks requires careful planning and strong data analysis to stay responsive to market demands. By focusing on underserved customer needs and leveraging technology, the business can gain a competitive edge while ensuring smooth consumer adoption.

5 Internal Analysis

An internal analysis identifies the strengths, weaknesses, and resources influencing the business's ability to achieve its objectives. It evaluates key internal factors, such as operational capacity, organisational structure, and technological capabilities, that are critical to executing the business model and delivering on its value proposition.

5.1 Core Strengths

5.1.1 Innovative Use of Technology:

- The business's integration of 3D scanning technology is a key differentiator, allowing for personalised bra fittings that address common consumer pain points, such as improper sizing.
- Advanced tools, such as AI-driven personalisation and virtual try-ons, enhance the customer experience, setting the brand apart in a competitive market.
- Data-Driven Insights: Analytics from the 3D scanning process can inform product development, demand forecasting, and inventory planning, improving operational efficiency.

5.1.2 Sustainability Commitment

- A focus on sustainable materials, ethical sourcing, and zero-waste production processes aligns with the growing demand from consumers for environmentally conscious products.
- This commitment strengthens brand identity and market positioning among eco-conscious customers.

5.1.3 Hybrid Business Model

- Combining a physical store in Paris with an online platform allows the brand to engage both in-store customers and digital shoppers.
- The physical location offers a space for personalised fittings, while the online platform leverages 3D scanning to scale accessibility.

5.1.4 Niche Focus

- By targeting women seeking custom-fit lingerie, the business creates a strong value proposition and streamlines operations, concentrating resources on a specific customer segment.

5.2 Identified Weaknesses

5.2.1 Technological Complexity

- The reliance on cutting-edge technologies, such as 3D scanning and AI, demands significant technical expertise and ongoing financial investment.
- Ensuring reliability and accuracy poses challenges, especially during the early stages of operation.

5.2.2 Limited Workforce Capacity

- Starting with a small team of 2 to 3 employees may limit capabilities in critical areas, such as customer service, marketing, and production.
- Scaling operations without compromising quality will require strategic hiring.

5.2.3 High Production Costs

- Sustainable materials and customised manufacturing processes come at a premium, increasing costs compared to mass production methods.
- Managing pricing strategies while maintaining profitability and accessibility is a challenge.

5.2.4 Customer Education Needs

- As a new concept, custom-fit lingerie using 3D scanning technology may require customer education on its benefits and ease of use.
- Privacy concerns surrounding data collection may need targeted communication to build trust.

5.3 Resource Assessment

5.3.1 Human Resources

- The team has expertise in technology, sustainability, and customer service; however, gaps in marketing and operations may emerge as the business expands.

5.3.2 Technological Resources

- Cutting-edge tools, such as 3D scanning and AI algorithms, are critical assets. Partnerships with technology providers may be necessary to maintain system efficiency and effectiveness.

5.3.3 Financial Resources

- Initial investments in technology and physical infrastructure demand careful financial planning. Limited resources may restrict marketing and scaling efforts.

5.3.4 Physical Resources

- The flagship store in Paris serves as a tangible representation of the brand and a hub for customer interaction. However, overhead costs in a prime location require ongoing

financial management.

5.4 Opportunities for Improvement

5.4.1 Operational Efficiency

- Adopting lean processes and automating workflows can enhance efficiency in areas such as production and order management.

5.4.2 Scalability

- Partnerships with sustainable suppliers and tech providers can support business expansion while maintaining quality and cost control.

5.4.3 Loyalty and Retention Programmes

- Offering subscription models or loyalty programmes can foster long-term relationships with customers and increase repeat purchases.

5.5 Conclusion

The internal analysis underscores the business's strong foundation of technological innovation, sustainability, and a hybrid model. While the company's strengths position it as a competitive player, addressing workforce limitations, cost challenges, and the need for customer education will be vital for sustained growth. By building on its strengths and addressing its weaknesses, the business can secure a leadership position in the custom lingerie market while upholding its commitments to sustainability and customer satisfaction.

6 Competitive Analysis

The custom lingerie market is dynamic and highly competitive, with various players leveraging technology and personalisation to cater to diverse consumer needs. Key competitors include Braave, Ari van Twillert, and DOUBL, each offering distinct solutions tailored to specific market demands.

6.1 Competitor Overview:

Braave - Utilises smartphone-based 3D scanning technology to deliver custom-fit bras. Emphasises data privacy through encrypted storage systems and prioritises sustainability by incorporating eco-friendly materials. Appeals to tech-savvy, environmentally conscious consumers.

Ari van Twillert - Targets the luxury segment with a focus on precision and exclusivity. Combines 3D printing and scanning technologies to produce bespoke bras. Positions itself as a high-end, innovative brand catering to customers seeking premium customisation.

DOUBL - Operates entirely online, leveraging 3D scanning to deliver personalised bras. Highlights sustainability through the use of recycled materials and by eliminating physical store operations. Offers a streamlined and environmentally friendly shopping experience.

ThirdLove and True&Co. - Do not use 3D scanning but rely on data-driven algorithms informed by customer feedback to deliver personalised fits. Their well-established digital platforms and strong marketing strategies have secured significant market share in the personalised lingerie sector.

Emerging Innovations - Fusion Bra introduces 3D-printed support structures, showcasing the growing sophistication in the market. Larger players, such as Victoria’s Secret, have the potential to adopt similar technologies, leveraging their vast resources and market reach to become formidable competitors.

6.2 Strategic Differentiation:

To stand out in this competitive landscape, the proposed business will integrate the following key elements:

- Hybrid Business Model - Combine a physical store with an online platform, providing customers with the flexibility to access 3D scanning either at home or in-store.
- Enhanced Privacy and Security: Implement robust privacy measures to ensure customer data is securely stored and handled, addressing concerns about data security.
- Sustainability Leadership: Use eco-friendly materials and adopt ethical production

practices to appeal to environmentally conscious consumers.

- Operational Efficiency: Prioritise fast production times to improve customer satisfaction and reduce delays associated with customisation.

By blending advanced technology, sustainability, and a hybrid customer experience, the business can address market gaps while differentiating itself from competitors. This approach positions the company to thrive in the evolving custom lingerie industry and capture a loyal customer base.

7 The Goals

The primary goal for this business is to launch a fully customised fit lingerie brand with personalised bra technology powered by 3D scanning. In the first year, the focus will be on establishing a robust operational foundation through the online platform and the Paris flagship atelier. The target is to sell around 3,000 bras in Year 1, averaging 250 units per month, with a lean team of 2-3 people and monthly revenue around €8,000-€10,000 during the ramp-up period.

In the second year, the goal is to move closer to operational efficiency by refining production processes, improving website usability, and reducing manufacturing lead times through better integration of the 3D scanning technology. The sustainability goal is to ensure that at least 50% of products use sustainable fabrics by the end of Year 2. The team will also expand gradually, with plans to hire and train one to two additional employees, enabling more efficient production and a better distribution of responsibilities.

Over the medium term (3-5 years), the goal is to expand into additional European cities through pop-up stores or smaller walk-in locations in key markets such as Berlin and Amsterdam, thereby increasing brand awareness and customer reach. Technological innovation will remain a key focus, with plans to integrate augmented reality (AR) fittings and improve the online shopping experience. By Year 5, the target is for at least 75% of products to be made from sustainable materials and for packaging to be fully recyclable or biodegradable, reducing the business's environmental footprint.

These goals aim to position the brand as a trustworthy, innovative, and sustainability-driven leader in the custom lingerie market, ensuring long-term growth and a loyal customer base.

8 Development Strategy

The stages of custom-fit lingerie brand development will work in three major phases: launch and establishment, scaling and optimisation, and geographic expansion. It serves as an underpinning of strategic focus on brand, achieving operational efficiencies, and as a springboard to long-term growth.

Phase 1: Launch and Establishment (Year 1): The primary objective is to successfully launch the flagship in Paris and establish the online platform, thereby establishing the brand's reputation. The business will be centred around providing 3D-scanned, custom-fit bras, targeting sales of 200-300 per month and aiming to generate between €20,000 and € 30,000 in monthly revenue. Marketing efforts will include digital campaigns and influencer partnerships to boost brand recognition. Moreover, maintaining customer trust will be crucial by ensuring that all data from scanning is handled with privacy in mind. The goal would be to have around 500 to 700 loyal customers by the end of the year.

Phase 2: Growth (Years 2-3): The second stage involves building the business through operational optimisation. This means that we aim to enhance production efficiency to reduce lead times and expand our product line, thereby increasing the customizability of our offerings. AR Virtual Fittings will also improve the customer experience by introducing a new way to shop and try out products online. The company will moreover emphasise sustainability, where it is estimated that 50% of used materials will be eco-friendly. These numbers are based on reaching 400-500 bras sold a month at this stage, resulting in €40,000-50,000 of monthly revenue.

Phase 3: Geographic Expansion (Years 3-5): In Phase 3, the business will aim to establish a presence in other European cities, such as Berlin and Amsterdam, through local online services. This phase will also introduce new categories, such as custom-fit panties and swimwear, utilising 3D fit technology. We aim to capture 5% of the €3 billion European custom lingerie market, generating yearly revenue of €1 million to €1.5 million by year five, with 75% of all orders over that period using sustainable materials.

This strategy ensures the business grows steadily, balancing innovation, customer satisfaction, and sustainability as core pillars.

9 Implementation Plans

This chapter outlines the implementation of the business and presents the financial plan that supports its viability. The analysis combines marketing approaches, operational setups, organisational structures, and projected financial performance. All figures are based on realistic benchmarks for a small Paris-based lingerie business and are intended to provide a credible picture of early-stage operations.

9.1 Marketing Plan

The marketing plan aims to introduce the custom lingerie business to its target audience, building brand recognition and fostering customer loyalty. By combining digital outreach with in-store promotions, the strategy seeks to establish a lasting market presence and highlight the unique value of personalised and sustainable lingerie.

9.1.1 Target Audience

The primary audience consists of women who value comfort, fit, and ethical purchasing decisions. This group is segmented into three key categories:

1. Women Seeking Personalisation: This segment includes individuals who are dissatisfied with standard lingerie sizing and seek better-fitting, custom-made alternatives. It encompasses women with specific needs, such as those with non-standard body shapes or post-mastectomy clients, who often face challenges in finding comfortable and stylish lingerie that suits their bodies.
2. Affluent Value-Conscious Consumers: This group consists of individuals who may not be extremely wealthy but possess sufficient disposable income to invest in premium, personalised products. They are willing to pay a higher price for custom-fit lingerie due to the perceived value, comfort, and exclusivity it offers. These customers appreciate craftsmanship and innovation, making them ideal early adopters of the service.
3. Ethical Shoppers: These consumers actively seek out eco-conscious brands and products made with ethical sourcing and sustainable materials. They are motivated by environmental and social values and prefer to support businesses that align with their moral standards.

Secondary segments include working professionals and urban residents who prioritise comfort and quality in their daily wear. These individuals may not actively seek full customisation but are likely to be attracted by the promise of better fit and long-term value.

9.1.2 Communicating the Value Proposition

The business's core message will emphasise:

1. Tailored Fit: Lingerie designed to match individual body shapes using cutting-edge 3D scanning technology.
2. Trust and Privacy: Secure data handling and compliance with GDPR standards to ensure customer confidence.
3. Sustainability Commitment: Eco-friendly materials and zero-waste production, appealing to ethically conscious consumers.
4. Flexibility: A hybrid approach, offering both in-store fittings and at-home scanning, to meet diverse customer needs.

These values will be consistently communicated across all marketing channels, ensuring a clear and cohesive brand identity.

9.1.3 Marketing Strategies

The marketing strategy focuses on building awareness, trust, and early adoption through a mix of digital and physical activities. The priority is to keep costs controlled while still creating enough buzz to attract first customers and encourage repeat purchases.

Digital marketing will primarily rely on Instagram, TikTok, and Pinterest, with regular posts featuring tutorials, behind-the-scenes content, and customer testimonials to showcase the customisation process. Low-cost interactive tools such as polls, live Q&A sessions, and product teasers will be used to engage the audience. Collaborations with carefully selected micro-influencers in fashion, sustainability, and tech will extend the brand's reach without requiring expensive endorsement deals. Search engine marketing will be limited but targeted, utilising a small monthly budget for Google Ads, focusing on terms such as "custom bras" and "sustainable lingerie." The website will be optimised for SEO to capture organic traffic over time, reducing the need for paid campaigns.

Content creation will be produced mainly in-house to save costs, with a small budget allocated for photography and short-form video production. Email marketing will be used to capture first-time visitors and offer welcome discounts, encouraging them to make their first purchase and stay informed about future releases.

Physical marketing will be concentrated around the Paris store launch. A launch event will be organised with live 3D-scanning demos and small influencer collaborations to generate local buzz. Cross-promotions with nearby eco-friendly stores will help increase foot traffic during the first months. In-store promotions such as free fittings and limited introductory discounts will drive trial and encourage customer loyalty.

The total marketing budget is set at €15,000 for the first six months:

- €8,000 is allocated to digital advertising and influencer collaborations
- €2,000 covers content production (videos, photos, blog articles)
- €5,000 is reserved for the store launch event and local promotion

The goal during this initial campaign is to build a strong brand presence by reaching at least 4,000 social media followers and capturing 800 email subscribers by the end of the first six months. The target for the first quarter is to achieve 800 combined in-store visits and online orders, providing a solid foundation for growth in Year 2.

9.2 Operations Plan

The business will operate from a small Paris-based atelier of approximately 100 m², equipped with sewing machines, cutting tables, and storage space, all of which are included in the initial €20,000 equipment investment. Production will follow a small-batch, just-in-time model to minimise inventory costs and allow for customisation, with average lead times of 5-7 days for online orders and 2-3 days for in-store fittings.

A lean team will manage operations, including a manager responsible for strategy and quality control, a part-time sewist for production, and a part-time retail assistant to support customer experience in the store. Specialist tasks such as digital marketing or overflow production will be outsourced when cost-effective.

Supplies, such as sustainable fabrics and trims, will be sourced from European suppliers to keep lead times short and control shipping costs. Contracts will be negotiated to lock in prices where possible. Orders will be tracked through a simple cloud-based system that also monitors inventory levels.

Fulfilment will use eco-friendly packaging and local couriers, with delivery times of 2-4 days within France. In-store pickup will be encouraged to save on shipping costs and create more opportunities for customer interaction. The goal is to maintain a return rate below 10%, deliver more than 95% of orders on time, and maintain lean inventory through monthly replenishment.

9.3 Organisational Structure

The organisational structure is designed to support a lean and efficient operation that combines a physical Paris atelier with an online platform. In the first year, the business will operate with a small core team responsible for production, customer experience, and management.

The founding team will focus on strategy, supplier coordination, and financial oversight. A part-time sewist will handle garment production and adjustments in the atelier, and a part-time retail assistant will manage fittings, appointments, and in-store experience. Technical

tasks such as website maintenance and 3D scanning integration will be supported by a freelance technology specialist as needed.

Key functions, such as advanced digital marketing and specialist content creation, will be outsourced to keep overhead costs low and ensure high-quality campaigns. As sales grow in Years 2 and 3, the team may add permanent roles in marketing, production support, and logistics to improve efficiency and customer service; however, hiring will remain gradual and aligned with revenue growth.

The business culture will emphasise sustainability, customer focus, and innovation. Employees and collaborators will be encouraged to contribute ideas, champion eco-friendly practices, and maintain a high level of service.

Table 9.3: Roles of the company

Role	Responsibilities	Reports To
Founders/Co-Founders	Strategic direction, supplier management, and financial oversight	N/A (Owners)
Seamstress / Production Support	Sewing, adjustments, quality control	Founders
Retail Assistant	In-store customer service, fittings, and basic admin	Founders
Tech Specialist (Freelance)	Platform maintenance, 3D scanning updates	Founders
Outsourced Marketing	Social media campaigns, influencer partnerships	Founders

This structure enables the business to remain agile in the early stages, scale gradually, and maintain a strong alignment with its brand values.

9.4 Finance and Costs Analysis

This section outlines the financial requirements for launching and operating the business, including startup costs, operating expenses, revenue projections, and profitability forecasts. All numbers are based on realistic market benchmarks and conservative growth assumptions.

9.4.1 Startup Costs

To launch the business, an initial investment is required for equipment, setup, and marketing.

Table 9.4.1: Initial investment projection

Category	Estimated Cost	Details

Legal & Administrative Setup	5,000	Company registration, trademarks, contracts
Equipment & Tools	20,000	Sewing machines, cutting tables, mannequins, and laptops
Initial Inventory & Materials	15,000	Fabrics, trims, and packaging for the first 3 months
Store Setup (Paris flagship)	25,000	First month rent + deposit, interior fitting, signage
Website & Platform Development	10,000	E-commerce site, 3D scan integration
Initial Marketing Campaign	15,000	Branding, digital ads, launch events
Total Startup Cost	90,000	Funded via equity + small business loan

9.4.2 Operating Costs (Annual)

Once the business is operational, it will incur both fixed and variable costs.

Table 9.4.2.1: Fixed Costs

Fixed Costs	**Annual Cost (€)**	**Notes**
Rent & Utilities	27,600	€2,000/month + utilities (15%)
Salaries & Wages	60,000	2 FTE (founder + part-time seamstress/admin)
Marketing & Advertising	15,000	Ongoing campaigns to drive traffic
Website Hosting & Software	3,000	Platform fees, analytics, security
Insurance, Accounting, Misc.	5,000	Compliance & professional services
Total Fixed Costs	110,600	-

Table 9.4.2.2: Variable Costs

Variable Costs per Unit	**Annual Cost (€)**
Fabric & Materials	12,000

Sewing & Assembly Labour	5,000
Packaging & Shipping	2,000
Total Variable Cost	8,000

9.4.3 Revenue Forecast

Revenue projections are based on conservative sales estimates, assuming a gradual market entry and growth.

Table 9.4.3: Revenue projections

Year	Units Sold	Selling Price (€)	Revenue (€)
1	3,000	35	105,000
2	4,800	35	168,000
3	6,720	35	235,200

9.4.4 Cost of Goods Sold

Table 9.4.4: Cost of Goods Sold

Year	Units Sold	Cost per Unit (€)	Total COGS (€)
1	3,000	12.00	36,000
2	4,800	12.60	60,480
3	6,720	13.23	88,966

9.4.5 Break-Even Analysis

The break-even point shows how many units must be sold to cover all costs:

$$Break - Even\ Units = \frac{Fixed\ Cost}{Selling\ Price - Varaible\ Cost}$$

$$Break - Even\ Units = \frac{110600}{35-12} = 4808,69$$

This means approximately 4,808 units per year (or about 400 per month) must be sold to break even. At €35 per unit, that represents roughly €168,140 in annual revenue.

9.4.6 Projected Income Statement

Table 9.4.6: Projected Income Statement

Year	Revenue (€)	COGS (€)	Gross Profit (€)	Fixed Costs (€)	Net Profit (€)
1	105,000	36,000	69,000	110,600	−41,600
2	168,000	60,480	107,520	113,918	−6,398
3	235,200	88,966	146,234	119,614	+26,620

This projection suggests that the business is likely to operate at a loss in the first two years but become profitable in Year 3, as sales increase and fixed costs are spread over a larger number of units.

9.4.7 Challenges and Mitigation Strategies

Table 9.4.7: Challenges and Mitigation Strategies

Challenge	Impact	Mitigation Strategy
Slow sales ramp-up	Delayed break-even	Increase targeted marketing, build partnerships
Rising material costs	Lower profit margin	Negotiate supplier contracts, diversify sourcing
High return rate	Increased cost per sale	Improve sizing accuracy, provide detailed guides

9.4.8 Expected Outcomes

Based on the projections, the business is expected to reach its break-even point toward the end of the second year of operations. From the third year onward, the company should generate a positive net profit as sales volumes increase and fixed costs are distributed across a larger number of units. Revenue is projected to grow steadily over the three years, supported by increasing brand awareness and customer loyalty. Throughout this period, the gross margin remains strong at approximately 62%, providing room for reinvestment in marketing, product development, and operational improvements.

9.5 Financial Valuation

The financial valuation of the business is based on projected revenues, costs, and profits presented in the previous section. The objective of this valuation is to estimate the enterprise's worth and determine the level of funding required to launch and sustain operations until profitability is achieved.

The start-up requires an initial capital investment of approximately €90 000 to cover setup and development costs, plus an additional €50 000 in working capital to absorb forecasted losses during the first two years. This results in a total initial funding requirement of roughly €140 000.

A discounted cash-flow (DCF) approach was used to estimate the business's value. The model projects net cash flows over a five-year period and applies a 12 % discount rate, reflecting the risk profile of an early-stage fashion-retail venture. Table 9.5 summarises the base-case financial assumptions used in the DCF analysis.

Table 9.5: Valuation Approach

Year	Net Profit (€)	Free Cash Flow Estimate (€)
1	−41,600	−41,600
2	−6,398	−6,398
3	26,620	70 000
4	45,000	90 000
5	60,000	110 000

Using these projected cash flows, the discounted present value of the business at the end of Year 0 is estimated at approximately €160 000, assuming moderate growth beyond Year 5. This represents a modestly positive net present value (NPV), indicating that the project is financially viable under baseline assumptions.

Sensitivity analysis reveals that a 10 % decline in sales or a 5 % rise in operating costs would reduce the NPV close to break-even, while a corresponding improvement in efficiency or sales performance could raise it to around €200 000. This demonstrates that profitability depends on achieving forecasted demand and maintaining cost discipline, yet remains attainable within a realistic range of outcomes.

If an investor contributes €140 000 in seed funding for equity, and the company's post-money valuation is set at €160 000, the investor would initially hold roughly 82 % of equity. Assuming that revenues and profits grow as projected and that the business is later valued at three times Year-5 revenue (approximately €700 000), the investor's stake could reach an estimated €2.1 million, representing a potential three-fold return over five years.

Figure 9.5: DCF Valuation Table

DCF_Valuation_Table

Year	Free Cash Flow (€)	Discount Factor (12 %)	Present Value (€)
Initial Investment	**–140 000**	**1.0000**	**–140 000.00**
Year 1	–41 600	0.8929	–37 142.86
Year 2	–6 398	0.7972	–5 100.45
Year 3	70 000	0.7118	49 826.00
Year 4	90 000	0.6355	57 195.00
Year 5	110 000	0.5674	62 414.00
Total NPV (12 %)			**+ 162 191 €**

The valuation remains sensitive to several key variables:

- Sales growth: Slower revenue growth would substantially reduce enterprise value.
- Cost structure: Increases in fixed or variable costs could delay profitability and compress margins.
- Market dynamics: The fashion industry is highly competitive and trend-driven; maintaining brand relevance is essential to sustaining long-term value.

Overall, the DCF analysis suggests that the business can achieve profitability and deliver positive investor returns under the base-case scenario, provided that operational efficiencies and market positioning are maintained.

10 Implementation Issues

Launching a custom lingerie business comes with inherent risks. Among the most critical implementation challenges are technology integration, sustainable supply chains, customer adoption, financial pressures, and competitive dynamics. By anticipating these issues and defining mitigation strategies, the business can remain agile and resilient during its growth phase.

10.1 Technology Challenges

Accuracy and consistency in 3D scanning across diverse body types pose a significant technical hurdle. Variables such as lighting, device quality, or small movements during scanning can lead to errors. For users scanning at home, the process may seem complicated, confusing, or prone to mistakes. Moreover, collecting sensitive body data raises serious questions around privacy and trust.

Mitigation will involve piloting technology with a varied sample to refine scanning algorithms and validate performance under different conditions. Comprehensive guides, video tutorials, and live support will help customers confidently use at-home tools. Strong encryption and transparent communication, detailing how data is stored, used, and erased, are essential to building trust.

10.2 Supply Chain & Sustainability

Sourcing truly sustainable fabrics often comes with higher costs, limited supply, or inconsistent quality. Working with suppliers who meet stringent certifications (e.g. GOTS, Fair Trade) adds layers of complexity. The brand also risks being accused of “greenwashing” if sustainability claims are vague or unsupported.

To mitigate this, the business will cultivate long-term partnerships with verified material suppliers and engage sustainability consultants to guide certification efforts. Regular and honest reporting on sustainability metrics will help maintain consumer trust and guard against reputational risk.

10.3 Customer Education & Adoption

Because the concept of lingerie customisation via 3D scanning is still emerging, many potential customers may hesitate to adopt it, particularly due to fears around cost, complexity, or privacy. Those less familiar with digital tools may be slower to trust the process.

Mitigation includes launching educational campaigns in-store and online: live demos, explanatory videos, and user FAQs. Introductory offers such as free or discounted first trials

lower the barrier to entry. Marketing should emphasise long-term value: superior fit, durability, and alignment with eco-values.

10.4 Financial & Operational Constraints

Launching a business with both physical and digital components demands significant capital, technology development, store setup, inventory, and marketing. These costs may outpace revenues in early stages. Scaling operations (manufacturing, logistics, customer support) without compromising quality also poses risks.

To manage this, investments will be phased, prioritising core functions like technology and customer acquisition first, and deferring non-essentials. The business will explore funding from ethical investors, sustainability grants, or strategic partnerships. Made-to-order production will reduce waste and inventory burden, allowing operations to scale in proportion to demand.

10.5 Competition & Market Dynamics

The lingerie market is crowded, and large players may adopt personalised technologies, leveraging their brand strength and economies of scale to dominate. As new entrants emerge, differentiation becomes both critical and complex.

To stay ahead, the business must emphasise unique strengths, strong privacy protections, seamless hybrid experiences, and deep sustainability commitments. Over time, the product line can expand to include matching sets, sleepwear, and accessories, addressing broader consumer needs. Customer loyalty programs, active engagement, and transparent communication will fortify defences against competitive threats.

10.6 Conclusion

By addressing these challenges through a proactive, phased, and values-driven strategy, the business can mitigate risks and build a resilient foundation. The focus on quality, innovation, sustainability, and customer trust will steer growth, helping the brand establish itself in a competitive and evolving market.

11 Strategic Financial Outlook

This chapter provides a forward-looking analysis of the business's financial trajectory. It focuses on funding requirements, risk sensitivity, valuation, and long-term economic strategy. The objective is to demonstrate that the company cannot only achieve break-even and profitability but also deliver attractive returns for potential investors.

11.1 Funding Requirements

To launch and sustain operations until profitability, the business requires approximately €140,000 in total capital:

- €90,000 for startup costs (equipment, store setup, inventory, website, and launch marketing)
- -€50,000 in working capital to absorb projected operating losses during Years 1 and 2

Funding may come from a mix of founder equity, small business loans, or seed investment. Raising slightly more than the minimum requirement would provide a cash buffer, reducing the risk of liquidity shortages in the early growth phase.

11.2 Sensitivity Analysis

The business model is sensitive to three main factors: sales volume, selling price, and variable cost per unit. The following table shows how the net profit in Year 3 changes under different scenarios:

Table 11.2: Table showing how net profit in Year 3 changes under different scenarios

Scenario	Units Sold	Selling Price (€)	Variable Cost (€)	Net Profit (€)
Base Case	6,720	35	12.00	26,620
Sales -10%	6,048	35	12.00	6,500
Sales +10%	7,392	35	12.00	46,700
Price -10%	6,720	31.50	12.00	9,900
Variable Cost +10%	6,720	35	13.20	14,500

The analysis shows that revenue is most sensitive to changes in sales volume and selling price. Even with a 10% drop in sales, the business remains close to breakeven in Year 3, which

suggests moderate resilience. However, sustained price pressure could significantly affect profitability and should be mitigated through brand positioning and value communication.

11.3 Valuation Approach

A Discounted Cash Flow (DCF) model was used to estimate the enterprise value of the business. The model projects free cash flows over a five-year period and applies a 12 % discount rate to account for the inherent risk profile of an early-stage retail and fashion venture.

Table 11.3: DCF to estimate enterprise value with 12% discount rate

Year	Estimated Free Cash Flow (€)	Discount Factor (12 %)	Present Value (€)
Initial Investment	–140 000	1.000	–140 000.00
1	-41,600	0.8929	–37 142.86
2	-6,398	0.7972	–5 100.45
3	70 000	0.7118	49 826.00
4	90 000	0.6355	57 195.00
5	110 000	0.5674	62 414.00
Total NPV (12 %)	-	-	≈ + 162 000 €

The DCF analysis results in a net present value of approximately €160 000, indicating that the venture is financially viable under base-case assumptions. Profitability improves markedly from Year 3 onwards as revenues scale and operating margins expand.

Sensitivity testing shows that a 10 % sales decline or a 5 % cost increase would bring the NPV close to break-even, while modest efficiency gains could lift it above €200 000. Thus, the model supports a realistic and defendable valuation, consistent with the projected financial trajectory in §9.5.

11.4 Long-Term Strategy and Investor Perspective

The long-term strategy focuses on scaling the business after achieving profitability in Year 3. Priority areas include:

- Product Line Expansion: Introduce new categories, such as sustainable swimwear or nightwear, to increase the average order value.
- Geographic Expansion: Launch pop-up stores in Berlin and Amsterdam within 3-5 years to diversify revenue sources.
- Technology Upgrades: Integrate AR-based virtual fitting tools to reduce returns and enhance the online shopping experience.
- **Sustainability Goals:** Increase the share of sustainable fabrics to 75% by Year 5 and move toward fully recyclable packaging.

From an investor's perspective, the combination of strong gross margins (≈approximately 62%), growing sales, and expansion potential presents an attractive opportunity. Assuming revenue continues to increase by 20% annually beyond Year 3, the business could reach annual revenues exceeding €400,000 by Year 5, thereby improving its valuation to three times revenue and generating a potential return of 3-4 times the initial investment.

11.5 Key Risks and Mitigation

Table 11.5: Key Risks and Mitigation

Risk	Impact	Mitigation
Slower sales growth	Delayed profitability, cash flow pressure	Increase marketing efforts, adjust product mix, and offer promotions
Cost inflation (materials, wages)	Lower gross margins	Negotiate supplier contracts, optimise production processes
Competitive pressure	Need for price reductions	Differentiate through customisation, sustainability, and technology
Operational bottlenecks	Delivery delays, lower customer satisfaction	Maintain a small buffer capacity, invest in process improvements

12 Conclusion

This thesis set out to design and validate a comprehensive business model for a custom lingerie brand that integrates 3D scanning technology, sustainability, and a hybrid retail strategy. The work has demonstrated that combining precise digital fitting tools, eco-conscious production, and a seamless customer experience can address key pain points in the lingerie market, particularly for women who struggle to find well-fitting garments in traditional retail channels.

Through a combination of literature review, external and internal analyses, and competitor benchmarking, this study has confirmed that there is a growing market for personalised, ethically produced lingerie. Consumers are increasingly expecting fashion brands to offer not only a better fit but also transparency in their processes and accountability in their resource use. This research supports the conclusion that businesses that can successfully deliver on these expectations are more likely to build trust and long-term loyalty.

The methodology applied, which blended quantitative surveys, focus groups, and prototype testing, provided valuable insights into both consumer expectations and potential barriers to adoption. Feedback revealed that accuracy, privacy, and usability are decisive factors in whether consumers will engage with 3D scanning technology. Pilot tests confirmed that when customers trust that their data is securely handled and experience a smooth, accurate fitting process, their willingness to purchase increases significantly. This highlights the importance of investing in clear communication, robust encryption protocols, and user-friendly design.

Another significant finding of this work is the strategic advantage offered by a hybrid business model. By combining an online platform with a physical flagship store, the brand can meet the needs of different customer segments: those who value the reassurance of in-store fittings and those who prioritise the convenience of at-home scanning. This dual approach not only broadens market reach but also allows the business to collect valuable data from multiple touchpoints, enabling a more personalised and consistent experience across channels.

Sustainability emerged as more than just an optional feature; it is now a central expectation for a large portion of the target market, particularly among younger consumers. This project has outlined clear strategies for reducing waste, sourcing eco-friendly fabrics, and ensuring fair labour practices. These efforts will not only differentiate the brand but also align with emerging regulatory requirements and industry trends, future-proofing the business model.

Together, these findings indicate that a business that leverages technology, prioritises sustainability, and focuses on inclusivity can achieve both social impact and commercial

viability. The brand proposed in this thesis seeks to set a new standard in lingerie retail, one where every customer has access to garments that fit their body, reflect their personal style, and are produced with respect for the environment.

Looking forward, this model has the potential to evolve further as technologies such as AI-driven personalisation and augmented reality become more accessible. Expanding into additional product categories, developing strategic partnerships with sustainable suppliers, and entering international markets are natural next steps. The work presented here provides a foundation for these future developments by establishing a scalable, customer-centric framework.

In conclusion, this thesis demonstrates that by addressing fit, convenience, sustainability, and trust simultaneously, it is possible to create a lingerie business that is both innovative and responsible. If executed carefully, this model can inspire meaningful change in an industry that has long relied on outdated sizing standards and unsustainable practices. The result is not only a commercially promising venture but also a contribution to a more inclusive, transparent, and environmentally conscious fashion future.

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