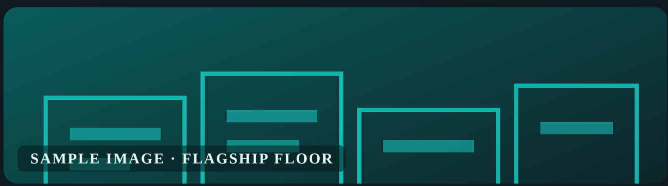
The Fashion Channel Shift, 2026

How apparel demand is re-routing across DTC e-commerce, marketplaces, social & live commerce, wholesale and store networks — and what the new channel economics mean for brand margin, data ownership and reach.

ILLUSTRATIVE SAMPLE DATA — NOT FOR INVESTMENT USE



31%
Online share of global apparel GMV, 2026 — up from 24% in 2023

2.4×
Social & live-commerce GMV growth vs 2023 baseline, fastest of any channel

+38%
Rise in blended DTC customer-acquisition cost since 2022 — the margin squeeze

EXECUTIVE SUMMARY

- **Channels are converging, not collapsing.** No single route wins; brands run a 4–6 channel portfolio and optimise for margin-adjusted reach, not raw volume.
- **DTC's cost advantage has narrowed.** Paid-acquisition inflation pushed blended CAC up ~38%, forcing a re-think of the "own-everything" playbook.
- **Wholesale is being rehabilitated.** Department-store and multi-brand doors return as low-CAC discovery — on cleaner terms and tighter assortments.
- **Live & social commerce is the growth engine.** Content-native selling compounds at 2.4× the 2023 base, led by Asia and now scaling in the West.
- **Stores are re-rated as media.** Physical flagships are valued for brand-building and returns handling as much as for sell-through.
- **Data ownership is the real prize.** The channel mix decision is increasingly a decision about who owns the customer relationship.

Six routes to the shopper — each with its own economics

Before sizing the shift, fix the taxonomy. We group fashion demand into six channels distinguished by **who owns the customer, who sets the price, and who carries inventory risk.** The strategic questions differ sharply across them.

OWNED · DIRECT

DTC e-commerce

The brand's own .com and app. Full price and data control; customer acquired and retained on the brand's balance sheet. Highest margin ceiling, highest CAC floor.

Full Data ownership
High Margin control

OWNED · PHYSICAL

Brand stores & flagships

Owned or concession retail. Increasingly valued as brand media, service and returns hubs — not just sell-through. Fixed-cost heavy, experience-led.

Full Data ownership
High Margin control

THIRD-PARTY

Marketplaces

Amazon, Tmall, Zalando, Farfetch-style platforms. Vast reach and search demand; commission and data are the platform's. Discovery scale traded for terms.

Thin Data ownership
Low Margin control

WHOLESALE

Dept & multi-brand

Department stores and multi-brand boutiques buying at wholesale. Low-CAC discovery and credibility; margin shared, markdown risk negotiated. Returning to favour.

Partial Data ownership
Mid Margin control

CONTENT-NATIVE

Social & live commerce

TikTok Shop, Instagram, WeChat, live-stream selling. Content and creators drive impulse demand; fastest-growing route. Platform-owned audience, emerging economics.

Shared Data ownership
Mid Margin control

VALUE · CIRCULAR

Off-price & resale-adjacent

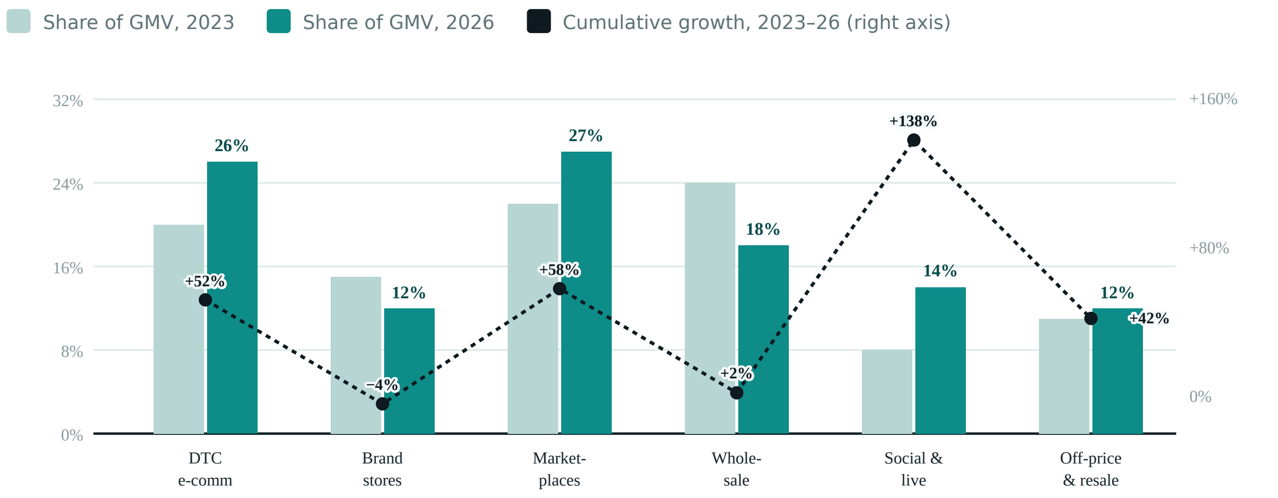
Outlets, off-price and brand-operated resale/recommerce. Clears excess, reaches value shoppers, and — via resale — extends product life and captures secondary margin.

Partial Data ownership
Low Margin control

Framework: Meridian Retail Intelligence channel taxonomy · Illustrative sample data — not for investment use · as of 2026-07-15

Marketplaces and social commerce take share from wholesale and stores

Channel share of global fashion GMV, 2023 vs 2026 — and each channel's cumulative growth over the period.



Source: Meridian Retail Intelligence channel model, 2026 · Illustrative sample data — not for investment use · as of 2026-07-15

+138%
Social & live commerce cumulative growth 2023-26 — from 8% to 14% of GMV

45%
Combined 2026 share of the two online-pureplay routes (DTC + marketplaces)

−6pt
Wholesale share change, 2023→26 — the largest single-channel give-up

READ-THROUGH

The shift is **redistribution, not disruption**. Total demand grows, but share migrates from the two legacy physical-led routes — wholesale (−6pt) and brand stores (−3pt) — toward marketplaces (+5pt) and social/live (+6pt). DTC gains modestly (+6pt) but no longer as the default answer.

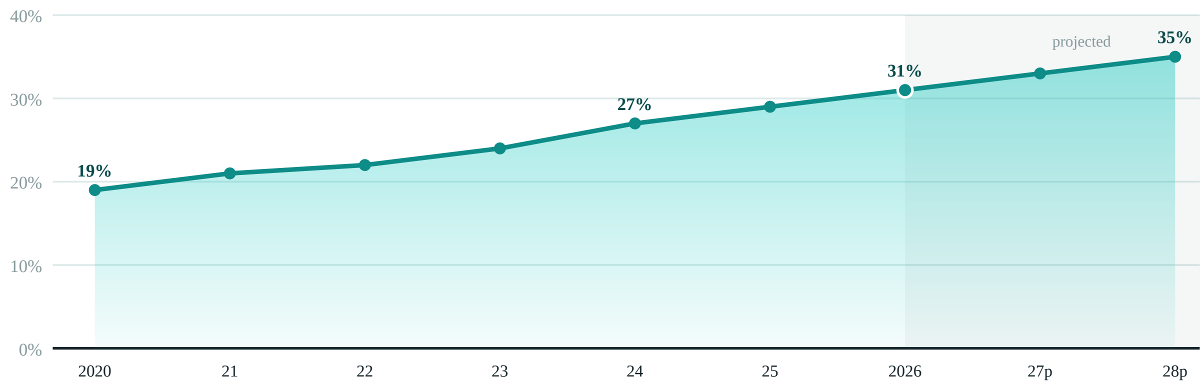
WHAT TO WATCH

Social/live is small in absolute share yet compounds fastest; a channel at 14% growing 2.4× reshapes the mix within two planning cycles. Wholesale's decline is **slowing, not accelerating** — the rehabilitation on page 04 is already visible in the flattening growth marker.

Online penetration climbs — but the store is being re-valued, not retired

Online share of fashion GMV rises steadily; the offline base stabilises as physical retail is repriced as brand media and service.

Online penetration of fashion GMV, 2020–2028 (2027–28 projected)



Source: Meridian Retail Intelligence penetration model · p = projected · Illustrative sample data — not for investment use · as of 2026-07-15

CAC SQUEEZE

Digital acquisition is no longer cheap. Blended DTC CAC is up ~38% since 2022 as auction competition and privacy changes erode targeting. The pure-online land-grab economics have inverted; **retention and owned audience now beat raw paid reach.**

WHOLESALE RETURNS

Brands that over-rotated to DTC are re-opening curated wholesale — department and multi-brand doors deliver **discovery at a fraction of paid CAC.** The terms are tighter: cleaner assortments, data-sharing clauses, and markdown discipline.

STORE RENAISSANCE

Physical retail stabilises because its **job changed.** Flagships now earn their rent as brand media, fitting, clienteling and returns hubs — lifting online conversion in their catchment. Fewer, better, more productive doors.

The mix decision is a trade of margin control against reach and CAC

Representative economics of the leading routes to the fashion shopper. Ranges are illustrative and vary by category, geography and negotiated terms.

Channel / platform	Take-rate / commission	CAC profile	Margin control	Data ownership	Scale / reach
Shopify DTC Owned .com & app	~2–3% payments + platform fee	High & rising — paid-heavy	Full	First-party	Self-built
Amazon / Tmall Global marketplace	~8–15% + fulfilment fees	Low CAC, high fee drag	Low	Platform-held	Massive
TikTok Shop Live & social commerce	~5–8% + creator commission	Content-led, variable	Medium	Shared	Very high
Zalando / Farfetch Fashion marketplace	~20–30% (partner model lower)	Low CAC, curated demand	Medium	Shared	High
Dept store wholesale Multi-brand doors	Wholesale margin ~40–55% to retailer	Low CAC — retailer-funded	Medium	Retailer-held	Regional
Brand flagship Owned physical retail	Fixed occupancy + staff cost	Low CAC, high fixed cost	Full	First-party	Local
Brand resale Owned recommerce	Platform/ops ~15–25%	Low CAC — existing owners	Medium	Shared	Growing

Source: Meridian Retail Intelligence economics benchmark · take-rates are illustrative mid-points · Illustrative sample data — not for investment use · as of 2026-07-15

READ ON THE LEADING PLATFORMS

- **Amazon / Tmall** — unrivalled search demand and logistics; the price is fee drag and near-zero customer data. Best as a reach and clearance layer, not a brand home.
- **Zalando / Farfetch** — curated, fashion-native demand with better brand adjacency than horizontal marketplaces; partner programmes recover some margin and data.
- **Dept-store wholesale** — low-CAC discovery and credibility returning to the mix; negotiate assortment control, data-back and markdown terms up front.
- **TikTok Shop** — the fastest discovery engine in fashion; economics still maturing. Wins impulse and newness; needs creator-cost discipline to protect margin.
- **Shopify DTC** — full control of price, data and experience; the burden is self-funded traffic. The owned base every other channel should feed.
- **Brand resale** — captures secondary margin, extends product life and recruits value shoppers into the owned ecosystem; a data and sustainability asset.

The same shift, three different clocks — build the mix to the market

Channel maturity diverges sharply by region. A single global playbook mis-serves at least two of these three.

China
Live-led

Social and live commerce are the mainstream, not the frontier. Douyin/Tmall live-streams and super-apps drive impulse demand; the store is a fulfilment and content set. The West's future, already arrived.

~42%
online penetration — highest of the three blocs

West (US / EU)
Re-balancing

Post-DTC correction. Brands re-open curated wholesale, rationalise store fleets and adopt live commerce selectively. Data-privacy regime raises CAC and rewards owned audience over paid reach.

~31%
online penetration — steady, margin-focused growth

Emerging
Leapfrog

Mobile-first shoppers skip legacy retail and enter via marketplaces and social. Logistics and payments are the constraint, not demand. Whoever solves last-mile owns the channel.

~24%
online penetration — fastest relative growth

Emerging channel · Live commerce scales West
The China-proven format is crossing over via TikTok Shop and shoppable video. Treat it as a discovery + newness engine feeding the owned base — not a discount channel.

Emerging channel · Resale integration
Brand-operated recommerce moves from CSR pilot to margin line — secondary revenue, product-life extension, and a first-party data loop back into the core assortment.

STRATEGIC IMPLICATIONS

What a brand should do about its channel mix

1. **Portfolio, not pledge**
   Run a deliberate 4–6 channel mix optimised for margin-adjusted reach; drop the "DTC-only" or "wholesale-only" dogma.
2. **Price the CAC honestly**
   Load true blended acquisition cost onto every channel's P&L; a low-take-rate route with low CAC often beats owned-but-paid.
3. **Own the data spine**
   Make DTC the identity and data hub; let marketplaces and social feed it. Never trade the customer relationship for reach alone.
4. **Re-brief the store**
   Fund fewer, more productive doors as media, service and returns hubs; measure their halo on local online demand, not just sell-through.
5. **Enter live commerce as discovery**
   Use creators and live for newness and reach; protect margin with commission discipline, not blanket discounting.
6. **Localise the clock**
   Lead with live in China, re-balance in the West, leapfrog via mobile marketplaces in emerging markets. One playbook fails two blocs.