

**LUXURY
IN THE AGE OF
ALGORITHMS:
CONTROL,
CURATION
AND
COMMERCE**

2026

TRADEBYTE'S
LUXURY REPORT
2026





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1 – INTRODUCTION

4 – 11

THE CHANGING SHAPE OF LUXURY E-COMMERCE IN 2026

Luxury e-commerce hasn't stopped growing, but it has changed shape. The surge years are over. Growth continues, yet the conditions underneath it look very different. Demand is fragmenting across regions, price sensitivity is rising across tiers, and the rules of visibility are increasingly written by algorithms rather than brands themselves.

This isn't a downturn; it's a normalisation phase. Luxury's defining challenge in 2026 is no longer access to demand, but value justification and control within algorithmic ecosystems, where price transparency, AI-led comparison and platform logic shape consumer decisions.

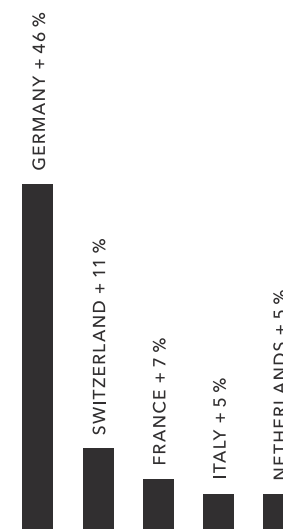
“Luxury's challenge in 2026 is not demand volatility, but maintaining value and control in an environment of radical price transparency.”

Discovery, pricing and storytelling are increasingly mediated by AI systems, marketplaces and platform ecosystems long before a consumer reaches a brand's own channels. Luxury brands are no longer competing only with each other; they are competing within environments that prioritise relevance, clarity and price consistency.

Within the Tradebyte network, luxury and premium growth slowed to just 1.8% in 2025. McKinsey's figures echo this shift while highlighting acceleration in mid-market segments. Accessibility, digital maturity and perceived value are driving performance further down the price spectrum, blurring traditional category boundaries.

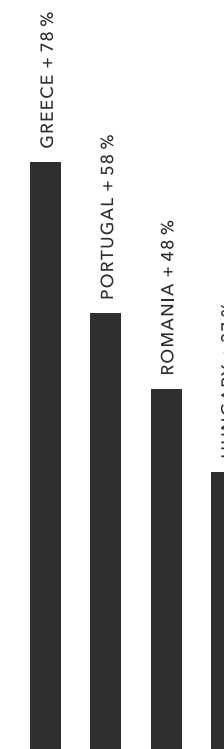
GROWTH FRAGMENTING ACROSS REGIONS

REGIONAL DIVERGENCE IS ALSO BECOMING MORE PRONOUNCED. WHILE GLOBAL HEADLINES OFTEN FOCUS ON MAJOR MARKETS SUCH AS THE US, WHICH ACCOUNTS FOR ROUGHLY A THIRD OF GLOBAL LUXURY SALES (BUSINESS OF FASHION 2026), EUROPEAN DATA REVEALS A MORE NUANCED PICTURE.



* RANKING OF EUROPE'S LUXURY E-COMMERCE GMV

Our proprietary data shows Germany continuing to dominate EU luxury e-commerce GMV at 46%, followed by Switzerland, France, Italy and the Netherlands. Yet beneath these headline leaders, growth is increasingly driven by smaller markets.



* THE STRONGEST GROWTH IN 2025

Greece, Portugal, Romania and Hungary recorded the strongest growth across our ecosystem in 2025.

Meanwhile, historically strong markets experienced sharper volatility, with the UK declining

- 52%

alongside Norway, the Netherlands, Belgium and Denmark.

EVEN WHERE SHARE SHIFTS WERE MODEST, THE DIRECTION OF TRAVEL SIGNALS A CLEAR REBALANCING OF EUROPEAN LUXURY DEMAND TOWARD MORE DISTRIBUTED, LOCALISED GROWTH PATTERNS.

PRICE FATIGUE AND THE END OF EFFORTLESS PRICING POWER

Price increases, once a reliable growth lever, are now creating fatigue across aspirational buyers, core clients and even VIC segments. Following years of aggressive pricing strategies, many brands entered 2025 with a more restrained approach, often limited to early seasonal adjustments (UBS/Bain & Co.).

**THE IMPLICATION IS CLEAR: VALUE
MUST BE JUSTIFIED MORE EXPLICITLY
THAN EVER BEFORE.**

THE RISE OF THE GEN Z AGENTIC CONSUMER

Alongside these market shifts, a new behavioural force is emerging: the rise of the Gen Z Agentic Consumer.

For this generation, discovery is no longer driven primarily by brand storytelling or aspirational browsing. Consumers increasingly delegate research, comparison and recommendation to AI-assisted tools and curated ecosystems, expecting results that reflect personal identity, values and cultural relevance.

As loyalty becomes more situational and discovery more algorithmic, brands face a new challenge: maintaining relevance and pricing authority in environments where meaning is shaped before a consumer reaches a brand's own channels.



FROM OPERATIONAL PRESSURE TO STRUCTURAL CHANGE

Alongside shifting consumer behaviour, luxury brands face growing operational pressures. Margin erosion is becoming more visible as fulfilment costs rise, return rates remain high and pricing becomes increasingly transparent across platforms. Channel complexity adds another layer of strain, with brands balancing owned e-commerce, wholesale, marketplaces and emerging resale models simultaneously.

What looks like a collection of separate issues is in fact one systemic shift: luxury brands are losing unilateral control over how value is created and defended in digital environments.

Brands that succeed will do three things differently:

NO.
01

They will encode meaning into data so algorithms recognise differentiation.

NO.
02

They will rethink distribution models to maintain pricing authority in transparent environments.

NO.
03

And they will build operational foundations that allow them to scale complexity without sacrificing consistency.

THE QUESTION FOR LUXURY IN 2026 ISN'T WHETHER GROWTH EXISTS; IT'S WHETHER BRANDS CAN MAINTAIN CONTROL AS DISCOVERY, COMPARISON AND COMMERCE BECOME INCREASINGLY ALGORITHMIC.



2 – AGENTIC COMMERCE

12 – 15

THE
NEXT-GEN
LUXURY
CONSUMER:
FROM
ASPIRATIONAL
BUYER
TO
AGENTIC
DECISION-
MAKER

The luxury market is currently being reshaped by a new generation of buyers, but the shift is behavioural, not just generational. Discovery is moving from inspiration-led browsing toward delegated decision-making, reshaping how luxury is evaluated long before a consumer reaches a brand's own touchpoints.

By 2030, Gen Z and Millennials are expected to account for around

85%

of global luxury purchases (Bain & Co.), making their behaviour structurally decisive for future growth. This marks a clear departure from traditional assumptions about luxury buyer profiles and demographics. What matters is no longer simply who the luxury consumer is, but how decisions are made.

As digital natives, the next generation of luxury consumers is more research-driven and more comfortable using technology to filter, compare and validate options before they buy. For these shoppers, technology is not just a channel, but an integral part of how purchase decisions are formed and justified, built directly into the decision process.

DECISION DELEGATION AND THE RISE OF THE AGENTIC CONSUMER

A CLEAR BEHAVIOURAL PATTERN IS EMERGING: THE RISE OF THE AGENTIC CONSUMER.

Product discovery and evaluation are increasingly supported by AI-assisted tools. Instead of relying on brand storytelling or inspiration-led browsing, they turn to algorithms to guide, compare and shortlist products.

In 2026, 33% of Gen Z consumers already use AI as their primary research tool for luxury pur-

chases, with growing trust in algorithmic recommendations alongside, and in some cases above, human influencers. Instead of manually searching across sites and sources, algorithms are trusted to filter and surface options based on cultural relevance, identity alignment and contextual fit.

As AI becomes a primary research and decision layer, traditional discovery pathways, from influencer content to brand-owned search journeys, lose influence. The distance between evaluation and purchase compresses, accelerating decision cycles and reducing the number of touchpoints required to convert.

WHAT AGENTIC BEHAVIOUR CHANGES COMMERCIALLY

These behaviours have direct commercial consequences. When evaluation is assisted or partially automated, the traditional luxury consideration cycle shortens, and expectations around efficiency rise. Consumers become less tolerant of friction, whether unclear product data, pricing inconsistencies, complex returns processes or disjointed fulfilment experiences.

Recommendations are increasingly expected to be justified by structured signals such as fit

accuracy, provenance, authenticity and expected resale value, rather than by purely aesthetic appeal. At the same time, algorithmic comparison exposes price differences and availability gaps instantly, increasing the commercial penalty for inconsistency across channels.

Agentic behaviour also reinforces identity-led consumption patterns. Rather than following a single brand narrative, younger luxury buyers curate “mix and match” portfolios of items that reflect personal values, cultural

signals and hybrid style codes. This contributes to a broader shift away from understated “quiet luxury” toward more expressive, digitally visible, and context-driven consumption choices.

As a result, power shifts toward curated environments and marketplace ecosystems that organise luxury around identity and context rather than single-brand navigation: a dynamic that will become increasingly central to how luxury brands maintain relevance in AI-mediated commerce.



3 – ALGORITHMIC AUTHORITY

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**PROTECTING
LUXURY
MEANING
AND
MARGINS
IN AN AI-FIRST
WORLD**



Artificial intelligence is rapidly reshaping how products are discovered, evaluated and selected. For luxury brands, the impact extends far beyond marketing visibility; AI is redefining how meaning is interpreted, how value is compared and, ultimately, how margins are protected in increasingly algorithmic environments.

Yet the transformation is not uniform across categories. Convenience-driven sectors, from fast fashion to beauty essentials, are

likely to experience the most immediate disruption as agentic AI accelerates automated comparison and purchase decisions.

In high-end luxury, friction, human mediation and relationship-based selling remain core parts of the value equation – craftsmanship, scarcity and clienteling still matter. But even in luxury, the discovery layer is changing.

Before a relationship begins, algorithms increasingly decide which brands are seen, summarised and shortlisted.



AI AS THE NEW CONCIERGE

In many luxury journeys, AI is becoming the first point of contact: a digital concierge that filters options before a consumer ever engages directly with a brand. Recommendation engines interpret brand narratives, compare product attributes and begin the process of curated selection.

This changes how luxury is introduced to new audiences.

“Brand storytelling is no longer encountered first-hand; it is translated into summaries, rankings and structured comparisons.”

AI systems reward clarity, structure and consistency. Brands that are easily interpreted by algorithms gain visibility, while those relying solely on emotional storytelling risk being reduced to price-led comparisons.

The opportunity lies in encoding heritage, craftsmanship and differentiation into data; ensuring that the qualities that define luxury are legible to machines as well as humans.

HYPER- PERSONALISED DISCOVERY AND THE DELEGATION OF CHOICE

As AI takes on the role of digital concierge, discovery shifts from browsing toward hyper-personalised delegation. AI personal shoppers increasingly assemble assortments tailored to individual preferences, moving discovery from manual browsing toward delegated decision-making. Consumers go from actively searching to passively reviewing curated recommendations, changing how brands compete for attention.

At the same time, social commerce and marketplace infrastructure are beginning to converge. “See now, buy now” journeys connect inspiration directly to transaction, further collapsing the distance between content and commerce. These developments favour brands that can present consistent, structured information across platforms, enabling seamless transitions between discovery, evaluation and purchase.

FROM SEO TO AEO: OPTIMISING FOR ANSWERS, NOT CLICKS

With AI assistants now acting as primary research tools, luxury brands must rethink how they are discovered. As traditional Search Engine Optimisation (SEO) gives way to Answer Engine Optimisation (AEO), where products are evaluated based on structured information rather than keyword-driven content, brands must optimise for answers, recommendations, and comparisons – not clicks.

In this new landscape, structured product truth becomes a strategic asset. Detailed attributes, provenance information, craftsmanship signals and contextual storytelling help AI systems recognise value beyond price or availability. Without this structure, luxury risks being flattened into interchangeable SKUs in algorithmic comparison environments.

Digital Product Passports (DPPs) reinforce this shift by making authenticity and provenance machine-readable. Rather than existing as standalone compliance tools, DPPs become part of a broader data layer that helps AI systems interpret craftsmanship, scarcity and long-term value.

PROTECTING MEANING IN A PRICE-COMPARI- SON WORLD

AI price comparison and summarisation tools also introduce new risks for luxury positioning. When algorithms present products side by side, subtle distinctions around heritage or quality can disappear unless they are embedded within structured product data.

In this environment, control of brand meaning shifts from creative exercise to operational discipline. Brands that invest in structured product truth, from detailed attributes to fit accuracy and lifecycle data, are better positioned to maintain differentiation even as discovery becomes increasingly automated.

FROM DISCOVERY TO RETENTION: FIT CONFIDENCE AS A MARGIN LEVER

As the gap between finding and choosing is compressed by AI and automation, decision confidence is also becoming a commercial signal. Brands are increasingly judged not only on how they are discovered, but on how reliably they fulfil the promise implied by that discovery. Repeated fit issues can quickly translate into reduced confidence in the brand, influencing whether customers choose to return.

Fit accuracy is therefore shifting from operational detail to strategic priority. AI sizing tools and virtual try-on experiences are moving beyond experimental features to standard marketplace expectations.

**WHEN FIT CONFIDENCE IMPROVES,
CONVERSION RISES, AND RETURN
RATES FALL, DIRECTLY PROTECTING
MARGIN AND STRENGTHENING
CUSTOMER LOYALTY.**

Returns themselves are also evolving from a logistics problem into a discovery signal. With fashion returns accounting for 10–20% of lost margin (Business of Fashion), AI-led platforms are beginning to factor return propensity into ranking and recommendation logic. High return rates can reduce visibility, weaken conversion performance and diminish long-term customer value.

As a result, performance signals from fit data and product accuracy, as well as fulfilment reliability, influence how luxury brands are ranked and recommended by algorithms. Performance no longer lives just in operations; it shapes discovery itself.





WHEN DISCOVERY BECOMES CURATION

“AI doesn’t remove emotion from luxury, but it does change where emotion is encountered.”

The brands that succeed will be those that translate meaning into structured signals, ensuring that heritage, craftsmanship and authenticity remain visible even when discovery is mediated by algorithms.

As decision-making is increasingly delegated, consumers move away from single-brand journeys and toward curated ecosystems that organise products around identity, context and cultural relevance. This transition from ownership to curation sets the stage for the next phase of luxury commerce, and the defining theme of the next section.

4 – IDENTITY ORCHESTRATION

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CURATION
OVER
OWNERSHIP:
WHY
IDENTITY-LED
COMMERCE
IS RESHAPING
LUXURY

Luxury is moving from ownership toward curation. For much of the past two decades, consumers aspired to full-look brand immersion, reinforced by flagship stores, runway-driven aesthetic direction and tightly controlled brand worlds. If wearing a single brand head-to-toe once signalled status, in 2026 it registers differently.

Today, full-look dressing can suggest passivity rather than discernment: adherence to a prescribed aesthetic rather than individual taste and creative expression. Luxury consumption is shifting away from brand purity towards identity construction. The focus is no longer on how fully or completely a consumer inhabits a brand's universe, but on how selectively and intelligently they assemble and curate their own.



MIX-AND-MATCH CONSUMPTION AND THE COLLAPSE OF CATEGORY BOUNDARIES

Younger consumers rarely approach luxury as a closed system. Instead, it is constantly recomposed. A single “hero” piece may anchor a look, but it is more often combined with a mix of high and low pieces: elevated basics, functional streetwear, independent designers and authenticated resale finds.

Luxury, premium and vintage no longer operate as fixed tiers in a

hierarchy. They are interchangeable components within a personal style portfolio that is less about category purity than it is about composition. For Gen Z and Millennials in particular, the wardrobe is considered more of a collage than a catalogue.

This mix-and-match logic reflects how status is being redefined. Cultural fluency and aesthetic literacy now carry as much

weight as price concentration. The ability to curate across categories signals taste more effectively than uniform brand immersion. In this environment, status is no longer secured through prescriptive full-look dressing. Purchasing power is assumed, but what differentiates is selection.

LUXURY AS IDENTITY EXPRESSION

If ownership lost its edge, identity has replaced it. Consumers use brands selectively to communicate taste, cultural alignment and lifestyle positioning:

**LUXURY BECOMES A
TOOL FOR SIGNALLING
IDENTITY.**

The era of “quiet luxury” made subtlety and understated status the norm. However, it remained rooted in tight brand control and consistent alignment with house codes. What’s emerging now is not a return to overt branding or “logomania”, but a move towards more expressive, digitally-native aesthetics.

DECLINING BRAND LOYALTY IN GEN Z AND MILLENNIALS

As identity replaces ownership, loyalty dynamics shift. Gen Z and Millennials exhibit greater brand agnosticism than previous generations: relevance, resonance and alignment with culture and identity take precedence over long-term brand allegiance.

Brand selection is increasingly situational. Shoppers may invest in a specific piece without feeling the inclination to extend their loyalty to that brand’s full offering. Although heritage remains important, it no longer guarantees favour. Instead, loyalty

must be earned through values and community.





FROM BRAND-CENTRIC NAVIGATION TO CURATED ECOSYSTEMS

Curation, not completeness, is becoming the new currency of luxury commerce. As identity-led consumption reshapes demand, discovery shifts away from linear, brand-owned journeys toward curated environments that frame products within context, culture and relevance.

China offers an early signal of how this transformation evolves at scale. Identity-driven consumption, rapid trend cycles and platform-led discovery have accelerated the move toward editorial curation and ecosystem-based shopping. The same behaviours are now emerging among Gen Z and Millennial consumers in Europe and the US, positioning China less as an outlier and more as a forward indicator of how luxury discovery will continue to evolve globally.

In this environment, the differentiator is no longer assortment size, but how products are edited, positioned and interpreted. Heavily curated platforms such as MyTheresa, MILE, and APOC differentiate themselves through selective assortment

and strong editorial positioning, whilst large marketplaces such as Zalando and Farfetch compete on experience design, omnichannel integration and technological infrastructure, rather than pure inventory scale.

The rise of circular and resale platforms such as Vestiaire Collective further reinforces this shift. By curating authenticity, provenance and value retention, resale platforms extend luxury discovery beyond the primary market and embed circularity directly into how consumers evaluate desirability.

As luxury commerce moves towards curated ecosystems, context shapes interpretation. The products a brand appears alongside, the edits it is included within and the way it is presented all influence how it is perceived. Distribution is therefore no longer a neutral route-to-market, but a strategic positioning choice. Marketplaces increasingly function as curated ecosystems rather than mass distribution channels, making control of assortment and presentation a critical lever for protecting brand meaning.



HUMAN CURATION VS. AI SCALING

AI increases output and efficiency, but in luxury, meaning and cultural relevance still require human judgement. The most competitive ecosystems will combine technological precision with deliberate, taste-led curation. Luxury commerce is reorganising around identity and context, and platforms that curate meaning are gaining an advantage.

As curated ecosystems shape how luxury is discovered, meaning must become more than aesthetic – it must be verifiable. In an AI-led environment, authenticity shifts from storytelling to structured proof, setting the stage for the next phase of luxury infrastructure.

5 – THE LUXURY REALITY CHECK

36 – 43

DR.
ACHIM BERG
ON FINDING
VALUE
BEYOND THE
GROWTH
FRENZY



DR. ACHIM BERG IS A RENOWNED ADVISOR, AUTHOR, SPEAKER AND INVESTOR IN THE GLOBAL FASHION INDUSTRY.

HE SPENT 24 YEARS WITH MCKINSEY & COMPANY – 14 AS PARTNER AND SENIOR PARTNER, WHERE HE FOCUSED ON THE FASHION AND LUXURY INDUSTRY.

ACHIM WAS THE CO-FOUNDER AND CO-EDITOR OF THE HIGHLY SUCCESSFUL “STATE OF FASHION” REPORT SERIES FROM ITS INCEPTION IN 2016 UNTIL 2023.

IN FEBRUARY 2025, HE FOUNDED FASHIONSIGHTS, AN INDEPENDENT CORPORATE THINK TANK DEDICATED TO EXPLORING AND SHAPING THE FUTURE OF THE FASHION INDUSTRY.



WE SAT DOWN WITH FASHION AND LUXURY INDUSTRY EXPERT AND FOUNDER/MD OF FASHIONSIGHTS, DR. ACHIM BERG, AT HIS OFFICES IN WIESBADEN, "THE SECRET CAPITAL OF FASHION"! HERE'S HOW THE CONVERSATION WITH TRADEBYTE'S ALEXANDER OTTO WENT:

Alexander: *If you had to describe the current mood in the boardrooms of luxury CEOs as a movie title, what would it be? Apocalypse Now? Groundhog Day? The Hangover? Back to the Future?*

Achim: I think it's probably The Hangover. Boards would love it to be Back to the Future – to go back to the hype and the frenzy that we've seen in recent years, but I think it's a mode of reckoning. Luxury is looking back at almost three decades of a run. And every run, every gold rush, comes to at least a pause before it continues. The last period – 2016 until 2023 – was seven years. It was incredibly successful and profitable. Brands that used to be a couple of hundred millions 20 years ago are now big businesses with double-digit billions.

So, is it a crisis? Yes, of course it's a crisis, even if the industry was not willing to admit that in 2024. It was supported by cheap money, low interest rates, a bull run at the stock exchanges, and by money made in crypto. Fashion and luxury became part of pop culture. It became natural not only for "Old Money" but also for aspirational shoppers who wanted a piece of the dream. That could have slowed down around 2019/2020, but then Covid hit. When China slowed down, Europe and the US prolonged the luxury boom.

But what we see now is a crisis. It's not only macroeconomic, it's also the result of many "home-made", or industry, mistakes, like overpricing and overexpansion.

Alexander: *You've previously stated we are in a "partially self-inflicted crisis that won't end before 2027". That is a tough verdict. What exactly did luxury brands do to inflict this upon themselves? Was it greed? Was it overexpansion?*

Achim: Well, it's obviously the result of overconfidence. The sky was the limit. Double-digit growth was the norm, managed by a younger generation of managers that had hardly ever seen a crisis. When the industry realised volume was under pressure, they increased the prices. Therefore we had massive inflation, which was partially hidden under broader inflation.

My friend Erwan Rambourg from HSBC coined it Greedflation. A lot of well-known fashion brands increased their prices between 5% to 10% every year. Many iconic handbags are now double the price they used to be. Interestingly, Hermès stands out as holding back quite a bit, only increasing by 2% or 3% over those years.

But generally, customers felt things got out of whack. The price-value equation didn't hold. Also, overexpansion: expanding geographically into cities that wouldn't usually have luxury stores, and into categories – ultra-luxury jewellery, chocolate, you name it. Now, the customer is holding back. Even the top-end VIPs are more reluctant.

“WARDROBES ARE FULL. SAVINGS RATES ARE VERY HIGH. THE WHOLE CONSUMER SENTIMENT NEEDS TO CHANGE. AND THE INDUSTRY NEEDS TO COURSE-CORRECT ON OVEREXPANSION AND OVERPRICING.”

Alexander: Do you think the industry has realised this?

Achim: Absolutely. A year ago, many were in denial, but I think they all learned the lesson in 2025.

There are always exceptions. Sport and jewellery are doing well. Geographies like the Middle East are more robust. Hot brands like Miu Miu do well. But overall, the reality is there. Everyone is digging in the details to find signs of recovery.

Reports say 2026 will be flat or slightly growing. But I don't see the geopolitical or macroeconomic side changing quickly. To course-correct on the brand side takes time. That's why I don't believe we're going to see a big recovery in 2026.

Alexander: So no bounce back to double-digit growth?

Achim: In my books, double-digit growth will not happen at all. I don't believe we will have that frenzy again. I believe the industry will be more normal with single-digit growth.

Alexander: Let's talk about recovery, and hence the solutions. What role do e-commerce platforms play for luxury brands today? Are they a lifeline or just necessary evil?

Achim: It depends on the moment in time. During the frenzy, brands were dreaming the dream of reaching full direct-to-consumer. This meant eliminating wholesale and avoiding platforms.

The idea was: full customer control, channel control and pricing control. The real top end such as Chanel or Louis Vuitton are not on platforms. Chanel is even of the opinion that they do not have to sell online. But now, in a world of declining sales, managers are more pragmatic. We see few brands pulling out of platforms these days. They cannot afford to. They want to reach broader customer groups.

Alexander: In our report, we saw a massive shift from wholesale to marketplaces to regain control. Do you see brands embracing this, or are they still scared of losing exclusivity?

Achim: It goes back to aspiration. The aspiration is full brand control, which means you would only want to do the 3P/marketplace model. But then comes the reality. If you sell Wholesale [1P] to a platform, the markdowns are not the brand's issues, and you get paid much earlier. You may dream of 3P, but practically, you do 1P and then you can at least blame the platform for discounting your product.

“PLATFORMS ALSO ENABLE YOU TO EXPAND GEOGRAPHICALLY IN A MUCH FASTER AND MORE CONTROLLED WAY. FASHION IS GLOBAL.”

It's a great advantage for a local Italian brand to be able to sell on a South Korean digital platform without needing the local language skills or a local partner. If it works there, then you can search for a distributor or open local stores.

Alexander: If platforms aren't the answer for everyone, will we see individual brands decide against agentic/platforms – similar to how Louis Vuitton decided to stay away? Is “Splendid Isolation” still a valid strategy in 2026?

Achim: For the lucky few at the top end – the Super Winners – yes, it's still a valid strategy. They are polarising. But then we have cases like Nike who seemed invincible with their direct-to-consumer focus, and we've seen the challenges they had. We will see similar things in luxury. Platforms offer broad availability, but that means transparency. Transparency leads to commoditisation and price competition.

Alexander: LVMH did try to offer their own platform a couple of years ago, 24S.

Achim: Those attempts were not overly successful. A platform is only attractive if you have a set of competing brands. It was always difficult for one group to do something limited to their own brands.

Alexander: What role will off-price and resale play in the future? Is the outlet channel becoming the actual engine of the industry, and how dangerous is that?

Achim: We should differentiate between off-price and resale. Off-price was always the pressure relief valve. If you want growth, you plan bullishly. If you don't have markdowns, you don't have fashion. You need to sell the overstock – destroying it is not allowed anymore.

Look at the outlets: The Bicester Collection and McArthurGlen. They provide a shopping experience close to luxury. If your brand is strong, you can survive that stretch between “full price luxury temple” and outlet. But if you are at the top end, that customer doesn't like the idea of discounts. There are single location that are close to luxury, but not all of them.

Resale is different; it is the result of rebranding “second-hand” to “pre-loved”. It's no longer the smelly boutique; it's digital. Platforms like Vestiaire Collective or The RealReal provide a luxury experience. My kids buy second-hand in Vinted and think it's positive for the planet. The challenge: The only business model that works so far is matchmaking. Vinted is profitable, but in luxury, you need authentication, which adds cost. Brands are in a holding pattern. But look at watches: 50% of the growth in watches comes from resale. Even Rolex is certifying used watches.

Alexander: Brands must smirk seeing a 20-year-old bag still has value!

Achim: It's a double-edged sword. On one hand, it reminds everyone of the amazing quality from 20 years ago. On the other hand, if you compare an old icon with a new one, you might have an interesting surprise regarding quality.

Also, creative directors change. Gucci is surely proud of the Tom Ford era, but the same is likely not true for all his successors. And even if they do, not every item and past collection is iconic.

Alexander: Let's come to the buzzword: Agentic Commerce. Bots negotiating for us. Does this democratise the market, or does it cement the dominance of giants like LVMH or Zalando who have the data?

Achim: It's early days. It's popular in presentations, and I see the benefit in convenience – I don't enjoy filling out checkout forms – but it gets complicated. You need to trust the bot with sensitive info like credit card details and address.

And will agentic strengthen the platforms, or the brands? If I can tell a bot to “get me that pink sweater”, and it channels the purchase directly to the brand, that could be interesting for the brand. But if the platform owns the bot and streamlines the process, they gain more control.

However, for luxury? I doubt a wealthy client wants a bot to negotiate. The friction is part of the experience. They use WhatsApp with a store manager – that is their human agent. So agentic is likely more relevant for commodity categories like sneakers than for true luxury.

Alexander: We see a lot of AI hype on the front-end with virtual try-on, etc. But looking at the P&L, is the real revolution actually happening in the dark? Is 2026 the year we finally use AI to fix the supply chain and stop overproduction, rather than just selling more?

Achim: The “Magic Mirror” in the store is on my list for the Golden Pineapple Award for meaningless hype – it never really worked.

But regarding photo production: we are watching a revolution. Moving from expensive shoots to AI-assisted or pure AI production (avatars) – this brings costs down and produces more content. This is the basis for “virtual try-on”, which might finally help reduce returns.

Alexander: If we have content at scale, we need curation. Will humans come back to curate?

Achim: “Curation and personalisation” also deserve a Golden Pineapple! We’ve talked about it for years, but progress is limited. Hopefully, AI will finally make personalisation useful. Combine it with the Digital Product Passport and a ledger of what I own – then I see benefits.

“UNTIL THEN, HUMAN CURATION REMAINS VITAL. FASHION IS ABOUT EMOTION. YOU NEED SUPPORT TO KNOW WHO YOU WANT TO BE.”

Alexander: To wrap it up: luxury in 2026 – pessimistic or optimistic?

Achim: I am an optimist. People prefer the better things in life. Luxury will always exist. But we are in a moment of reckoning. The industry had an amazing run. Now we settle into a “normal” industry. The million-dollar question is have we seen the worst? The industry is doing its homework; becoming more efficient, more creative. It will bounce back, but we need patience.



6 – STRUCTURED PROOF

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AUTHENTICITY AT SCALE: STORYTELLING, TRUST AND THE DIGITAL PRODUCT PASSPORT

Luxury has always relied on storytelling. Craftsmanship, heritage and provenance sit at the core of how value is communicated. But in an era of algorithmic discovery and marketplace comparison, narrative alone is no longer enough. Authenticity must be structured, verifiable and machine-readable.

This marks a fundamental shift in how trust operates within luxury commerce. As discovery moves into AI-driven environments, brands are increasingly evaluated not just by what they say, but by what platforms and algorithms can verify. The Digital Product Passport (DPP) represents this transition from emotional storytelling to opera-

tional truth; turning authenticity into infrastructure rather than a marketing layer.

In practical terms, DPPs function as a digital birth certificate for luxury products: a persistent, verifiable record of origin, materials, craftsmanship and ownership history. This record travels with the item across its lifecycle, creating continuity between primary sales, resale markets and future ownership.

In algorithmic commerce, this continuity makes luxury legible. It enables platforms, marketplaces and AI systems to recognise differentiation rather than defaulting to price comparison.

FROM FUTURE REQUIREMENT TO COMPLIANCE CLIFF

The urgency behind this shift is growing. Two-fifths of high-net-worth shoppers are now willing to switch brands due to concerns about authenticity (Havas Media Lux). At the same time, the European Union's Ecodesign for Sustainable Products Regulation (ESPR) introduces fixed timelines for Digital Product Passport adoption.

As a result, what was once framed as future innovation is rapidly becoming a compliance cliff. Brands that begin mapping product and supply-chain data in 2026 will be better positioned for enforcement in 2027 and beyond.

THOSE THAT DELAY RISK TREATING DPP READINESS AS A LAST-MINUTE REGULATORY TASK RATHER THAN A STRUCTURAL DIFFERENTIATOR.

TRUST AS A CONVERSION DRIVER, NOT A BRAND VALUE ADD-ON

Yet compliance alone is not the strategic story. In algorithmic commerce, trust is increasingly a conversion driver. Verified provenance, transparent pricing signals and clear authenticity markers reduce decision friction for consumers navigating AI-assisted journeys. When platforms and recommendation engines can validate product truth directly, trust becomes embedded within the discovery process itself. This accelerates conversion without relying on promotional incentives.



PROVENANCE, PRICING CONSIS- TENCY AND ETHICAL TRANSPARENCY

The shift is further reinforced by rising expectations around radical transparency. Consumers, platforms and regulators are placing greater scrutiny on sourcing, pricing logic and sustainability claims. Inconsistent or unverifiable narratives aren't just reputational risks; they are operational liabilities.

Structured authenticity data, on the other hand, allows brands to maintain credibility at scale. It ensures that craftsmanship and ethical positioning are supported by verifiable proof rather than marketing language.

LONG-TERM VALUE PRESERVATION

DPPs also reshape how luxury manages value over time. In resale and circular markets, verified ownership history preserves authenticity and supports stronger price integrity.

Machine-readable product truth improves AI discovery accuracy, enhancing ranking, comparison and recommendation quality across platforms. Over time, this infrastructure protects brand equity by ensuring that meaning and provenance remain attached to the product, even as ownership evolves.

Authenticity at scale, then, is not about replacing storytelling. It is about evolving storytelling into something enforceable, scalable and interoperable across ecosystems.

This shift also lays the foundation for the next phase of luxury commerce. Once authenticity becomes structured and portable, it enables brands to participate more actively in resale, circularity and lifecycle value creation. This transforms trust from a static brand message into a dynamic commercial asset.

**“AS LUXURY MOVES
INTO AN ERA
DEFINED BY
TRANSPARENCY
AND ALGORITHMIC
MEDIATION,
TRUST BECOMES
LESS ABOUT
PERSUASION AND
MORE ABOUT
PROOF.”**



7 – LIFECYCLE GOVERNANCE

52 – 61

BRAND- OWNED CIRCULARITY: RECLAIMING CONTROL OF VALUE OVER TIME

Resale is no longer a side conversation in luxury or a niche sustainability initiative. It is reshaping how consumers enter, engage with and exit luxury brands, and becoming a structural part of demand.

For Gen Z and Millennial consumers in particular, second-hand is not a secondary channel, it is often the first access point into luxury. Younger buyers increasingly view resale as a way to experiment with brands, and participate in luxury culture without committing to full-price entry.

For many, curated second-hand luxury marketplaces such as Vestiaire Collective or The RealReal

are now the first place discovery happens, shaping expectations around pricing, authenticity and availability before a brand's own channels are even visited.

This shift changes how luxury products are discovered and evaluated. Ownership becomes fluid, and lifecycle value becomes part of the purchase decision itself.

Market dynamics reflect this behavioural change. Second-hand, or "pre-loved" currently represents around 8% of total fashion and luxury sales. Penetration is expected to reach 10% by 2030, growing fastest in Europe (BCG × Vestiaire Collective).

The luxury resale market, valued at approximately USD 34.39 billion in 2023, is projected to approach USD 60.55 billion by 2029, driven by sustained double-digit growth (Swap Commerce).

Importantly, resale doesn't just follow primary demand; it increasingly influences it. Consumers now factor resale value, authenticity and long-term desirability into initial purchase decisions. A product's second life becomes part of its first sale. This dynamic turns circularity into a commercial consideration rather than an environmental add-on.

THE CONTROL CHALLENGE

For brands, the challenge lies in control. Unmanaged second-hand markets introduce fragmented pricing signals, inconsistent storytelling around provenance and condition, and increased exposure to counterfeiting and grey-market activity.

63%

of luxury shoppers worry it has become too easy to accidentally buy counterfeit goods online (Havas Media Lux), highlighting the growing trust gap across digital resale environments. Without brand involvement, resale can weaken perceived value rather than reinforce it.



BRAND-OWNED CIRCULARITY AS A CONTROL MECHANISM

Brand-owned circularity offers an alternative path. By integrating resale into their own ecosystems, luxury houses can maintain pricing logic, preserve narrative continuity and re-engage customers over time. Instead of losing visibility once a product leaves the primary mar-

ket, brands extend the relationship across multiple ownership cycles.

Resale-as-a-Service models are accelerating this transition. Rather than building complex authentication, logistics and marketplace infrastructure from scratch, brands are increasingly

partnering with specialist platforms that enable circular programmes to sit directly within their own ecosystems. The goal is not simply to resell products, but to retain control over pricing logic, storytelling and customer relationships across ownership cycles.



HOW BRANDS ARE OPERATIONALISING CIRCULARITY:

ALEXANDER MCQUEEN – BRAND APPROVED CLIENTELING MODEL

The brand proactively engages high-value clients to buy back selected pieces, authenticates them through its own teams and presents them within a curated resale environment. This approach positions resale as an extension of craftsmanship and storytelling rather than a clearance channel, reinforcing value retention.

MYTHERESA – RETAILER-LED RESALE FOR TOP CLIENTS

Targeted resale services for high-value customers, particularly in handbag categories, demonstrate how circularity can function as a clienteling and loyalty mechanism, extending relationships beyond the initial purchase.

CHLOÉ – DIGITAL ID-ENABLED RESALE JOURNEYS

By embedding digital IDs into products, Chloé allows customers to scan items and list them seamlessly for verified resale. This connects circularity with DPP infrastructure, ensuring continuity between first ownership and second life while strengthening authenticity signals.

GANNI – ACCESSIBLE CIRCULARITY AT SCALE

Ganni's resale initiative allows customers to trade in pre-owned pieces in exchange for gift cards. This lowers barriers to participation and shows how advanced contemporary brands are using resale to build community while maintaining brand positioning.

BURBERRY – TRADE-IN PROGRAMMES FOCUSED ON RETENTION

Selected market initiatives allow customers to exchange pre-owned items for brand credit, encouraging re-entry into full-price collections and turning resale into a lifecycle engagement strategy rather than an external exit point.

MATCHMAKING VS. INVENTORY

The economics of resale are evolving as well. Rather than holding inventory, successful platforms increasingly operate as matchmakers, connecting supply and demand while reducing working-capital risk. Authentication-led second-hand luxury marketplaces such as Vestiaire Collective illustrate this shift: instead of buying stock, they connect supply and demand through curation, trust signals and contextual storytelling.

This matchmaking logic aligns closely with luxury's need for curation and context, and is a model that increasingly influences and foreshadows broader changes in how marketplaces operate.

From a profitability perspective, brand-owned resale strengthens long-term value creation. Integrated programmes improve margin control by reducing uncontrolled discounting, maintain data continuity across ownership cycles and support repeat engagement through trade-in and credit-based models.

Early industry pilots suggest that resale participants show higher lifetime engagement and increased likelihood of

future purchases, as trade-in mechanisms lower barriers to re-entry into full-price collections. The long-term impact on CLV continues to evolve as programmes mature, however.

DPPs underpin this shift by providing verifiable ownership history and authenticity data. Machine-readable provenance improves trust across primary and secondary markets, enhances AI discovery accuracy and supports stronger ranking outcomes on marketplaces. Over time, this infrastructure ensures that craftsmanship, heritage and value remain attached to the product itself, not just the point of sale.

Circularity, then, is not about extending product life for sustainability alone. It is about extending brand control across time, and turning ownership into an ongoing relationship rather than a single transaction.

The rise of circularity doesn't just change what happens after the first sale, it accelerates the broader transition toward marketplace-led models where control, curation and matchmaking define growth.





8 – DISTRIBUTION SOVEREIGNTY

62 – 75

FROM
WHOLESALE
TO
MARKETPLACE:
WHY CONTROL,
NOT REACH,
DEFINES
LUXURY
GROWTH
IN 2026

Luxury brands are operating in a new reality:

NO.

01

AI is reshaping discovery, compressing comparison and decision-making

NO.

02

Curation is replacing brand-centric navigation, weakening traditional loyalty

NO.

03

Transparency challenges price integrity as prices are surfaced and compared instantly

NO.

04

Expansion is adding complexity across regions, platforms and partners

Together, these forces redefine how luxury value is protected. In an AI-led commerce environment, marketplaces are no longer just another channel; they are becoming strategic infrastructure.

As AI assistants increasingly default to recommending the lowest visible price, price consistency becomes inseparable from brand value. Brands that are absent from marketplaces lose influence over how products are surfaced, compared and justified.

**“THE MARKETPLACE
MODEL IS NO
LONGER OPTIONAL;
IT IS THE MOST
SCALABLE WAY FOR
LUXURY BRANDS
TO RETAIN PRICING
AUTHORITY IN
ALGORITHMIC
COMMERCE.”**



THE END OF “SPLENDID ISOLATION”

A small number of super-winners can still operate in relative isolation, relying on strong direct demand and tightly controlled distribution. For most luxury houses, however, complete withdrawal from platforms is no longer economically viable in a flat-growth environment.

Discovery now happens across ecosystems rather than within brand-owned journeys. Without marketplace participation, brands risk losing visibility at the very moment AI systems shape consideration and comparison.

WHOLESALE REASSESSMENT

Wholesale continues to appeal for practical reasons:

NO. 01

Earlier payments improve cash-flow certainty

NO. 02

Markdown risk sits with the retailer rather than the brand

NO. 03

Operational complexity remains lower compared to managing multi-marketplace execution

However, AI-led commerce exposes wholesale’s structural weaknesses:

NO. 01

Limited pricing control creates inconsistencies that algorithms surface instantly

NO. 02

Product data becomes fragmented across partners, weakening brand presentation

NO. 03

Inventory sits off-brand, reducing flexibility and limiting visibility into customer behaviour

In an environment defined by algorithmic comparison, these constraints become more visible, and more costly. As a result, many luxury brands are reassessing wholesale-heavy distribution and exploring marketplace and hybrid models to regain control over pricing, presentation and customer insights.





WHAT'S DRIVING THE SHIFT TOWARD MARKETPLACE AND HYBRID MODELS?

The transition toward marketplace and hybrid models is being driven by both brands and platforms. From the brand perspective, marketplaces offer direct access to intent-driven shoppers who search by category rather than brand name. They allow brands to regain ownership of content, data and customer journeys while activating the full depth of their catalogue.

Platforms, meanwhile, are moving away from inventory-heavy wholesale models toward asset-light marketplace structures. By reducing working capital risk, they can offer broader assortments and more curated experiences without owning inventory.

The Marketplace infrastructure also enables global scalability. Brands can test new regions

without physical retail expansion, leveraging local audiences and operational frameworks already established by platforms.

ADDRESSING THE BIGGEST MARKETPLACE MISCONCEPTIONS

Despite growing adoption, misconceptions around marketplaces persist. Concerns around brand dilution often stem from unmanaged wholesale distribution rather than curated marketplace participation. Premium environments increasingly mirror boutique-level experiences, allowing luxury brands to maintain positioning.

Discounting fears also reflect legacy models. In marketplace environments, brands remain Merchant of Record and retain the pricing lever, avoiding premature markdowns driven by wholesale partners or grey markets.

Concerns around customer data loss are diminishing as hybrid and marketplace models pro-

vide richer insight into behaviour and lifecycle engagement. Unified stock pools challenge the idea of inventory fragmentation, enabling dynamic allocation across owned channels and marketplaces.

Direct participation can also strengthen brand protection, reducing exposure to counterfeiting and fragmented resale ecosystems.

WHOLESALE VS. MARKETPLACE VS. HYBRID

Many of the challenges luxury brands attribute to marketplaces stem from wholesale structures.

Wholesale models typically place pricing control with retailers, fragment product data and create inconsistencies in presentation. Marketplace models restore brand governance, offering richer data continuity and curated environments aligned with AI discovery.

Hybrid approaches are emerging as transitional models, combining wholesale reach with marketplace control as brands evolve their infrastructure.

	Wholesale	Marketplace	Hybrid
Pricing	retailer-controlled	brand-controlled	
Data	fragmented, limited brand visibility	richer insight and continuity	combines reach of wholesale with control of marketplace
Assortment and Presentation	inconsistent	curated and governed	increasingly used as a transition model for luxury brands
Risk	margin erosion, inventory opacity	execution complexity (manageable with the right infrastructure)	

HOW MARKETPLACE MODELS RESTORE CONTROL

Marketplace participation changes who holds the levers of luxury control:

NO.
01

Pricing sovereignty becomes central. Brands retain authority over pricing and discounting decisions, protecting positioning and avoiding premature mark-downs often driven by wholesale partners or grey markets.

NO.
02

Ownership of content, assortment and product data allows luxury houses to maintain consistent storytelling across channels, improving alignment with AI-led discovery and recommendation systems.

NO.
03

Catalogue depth expands significantly. While wholesale orders often represent only a fraction of a collection, marketplace models enable brands to activate the full assortment, increasing relevance and strengthening commercial leverage.

FROM AGGREGATION TO MATCHMAKING

Marketplaces themselves are evolving. The goal is no longer to maximise assortment, but to maximise relevance.

Data-driven curation, editorial context and AI-assisted matching transform marketplaces into matchmaking environments that connect the right product with the right audience. This aligns closely with the identity-led discovery patterns explored earlier in the report, improving conversion without relying on blanket discounting.

AI, PRICE CONSISTENCY AND THE NECESSITY OF MARKETPLACES

AI assistants increasingly surface the lowest visible price. When brands lack a controlled marketplace presence, they lose the ability to frame pricing within context – whether craftsmanship, scarcity or lifecycle value.

Marketplace models allow brands to actively manage price integrity across AI-led discovery environments. Rather than reacting to price comparisons, brands help shape how value is communicated and justified.

MARKETPLACES AS A DIVERSIFICATION STRATEGY

MARKETPLACE STRATEGY IN 2026 MEANS MANAGING A PORTFOLIO RATHER THAN RELYING ON A SINGLE GLOBAL GIANT.

Global leaders provide scale, while regional luxury platforms enable local relevance across Asia and the Middle East. Niche curated environments such as APOC and MILE reflect a broader shift toward identity-led discovery, where context and cultural relevance shape engagement.

Alongside these, resale and off-price platforms play a growing role in lifecycle management, allowing brands to protect value, manage inventory and maintain relevance across multiple ownership cycles. Success lies in maintaining global brand consistency across a diverse platform landscape while balancing reach with governance.





FROM MARKETPLACE STRATEGY TO OPERATIONAL REALITY

The move toward marketplace-led models, however, introduces new execution challenges. Real-time stock orchestration, accurate data mapping and SLA management across multiple platforms become critical capabilities. As luxury brands expand across regions and curated ecosystems, operational infrastructure becomes the foundation of control.

This shift reframes the marketplace conversation. Success is no longer about abandoning reach, but about governing it deliberately. Presence without control weakens luxury positioning; participation with orchestration strengthens it.

WINNING BRANDS TREAT MARKETPLACES NOT AS CHANNELS TO FILL, BUT AS A MANAGED PORTFOLIO ALIGNED TO SPECIFIC OBJECTIVES: ENTERING NEW TERRITORIES, REACHING CURATED AUDIENCES OR MANAGING OFF-PRICE INVENTORY.

Alignment, not expansion, becomes the defining principle. The right marketplace depends on the brand's goals, its product category and its positioning within the luxury ecosystem.

Execution, not presence, becomes the true differentiator. As marketplace participation expands, unified systems and scalable orchestration move from operational advantage to strategic necessity – setting the stage for the infrastructure layer explored in the next section.



9 – OPERATIONAL ORCHESTRATION

76 – 91

**UNIFIED
COMMERCE:
THE
FOUNDATION
OF
LUXURY
CONTROL**

As luxury brands expand into marketplace-led models to maintain control in AI-mediated discovery, execution becomes the defining challenge. When algorithms surface the lowest available price instantly, pricing authority can no longer be enforced through policy alone. Consistency must be embedded into infrastructure.

Marketplace diversification introduces new opportunities, but also new operational strain. Pricing logic, inventory exposure, fulfilment models and customer experience can no longer be managed channel by channel. Fragmented systems create a

hidden tax on luxury brands, from inconsistent brand presentation to margin leakage and delayed response to demand shifts.

Unified commerce emerges as the operational foundation that allows brands to orchestrate multiple marketplaces, regions and fulfilment strategies while enforcing consistent pricing and brand rules. Rather than limiting expansion, it turns diversification into a margin lever, enabling brands to scale without losing control.

At the core of this shift lies data readiness. Structured product information, fit data, and lifecycle

signals increasingly determine how AI systems interpret luxury. Preparing product and supply-chain data for DPP compliance is therefore not just a regulatory task; it becomes part of the infrastructure that supports authenticity, discovery and long-term value preservation across marketplaces and resale ecosystems.

Unified commerce connects AI-led discovery with reliable execution, ensuring that the promises made by algorithms can be delivered consistently across every channel.



WHY MARKETPLACE STRATEGIES BREAK WITHOUT UNIFIED COMMERCE

Marketplace participation introduces scale, but without unified infrastructure, scale quickly turns into fragmentation.

Disconnected systems create inconsistent pricing signals, duplicated catalogues and delayed stock updates across regions and platforms. In AI-driven discovery environments, these operational gaps are no longer invisible. Algorithms interpret inconsistencies as weak performance, affecting visibility, recommendation logic and conversion outcomes.

As luxury brands expand into curated ecosystems, governance cannot rely on manual processes or channel-by-channel oversight.

UNIFIED COMMERCE ENSURES THAT PRICING RULES, BRAND PRESENTATION AND CUSTOMER EXPERIENCE TRAVEL WITH THE PRODUCT, PROTECTING CONTROL WHEREVER DISCOVERY HAPPENS.

COMPOSABLE ARCHITECTURE AS AN ENABLER OF CONTROL

To support this level of orchestration, luxury brands are increasingly moving toward composable, API-first commerce architectures. Rather than rebuilding platforms to support every new marketplace or fulfilment partner, modular systems allow brands to add, test or adapt capabilities without disrupting the broader ecosystem.

This flexibility enables brands to respond quickly to regional demand shifts, platform innovation and evolving AI discovery behaviours. Control no longer comes from owning every channel, but from maintaining a consistent operational core that connects them.

CLIENTELING 2.0: BOUTIQUE SERVICE AT SCALE

Unified commerce also reshapes how luxury brands maintain customer relationships. By connecting customer and order data across channels, brands can extend boutique-level service into digital environments and marketplaces.

Clienteling evolves from a store-based activity into a continuous, cross-platform experience, enabling personalised engagement regardless of where the transaction occurs. This allows brands to maintain control over customer relationships without owning every touchpoint, balancing marketplace reach with a brand-led experience.



INVENTORY AS A STRATEGIC ASSET

One of the most immediate benefits of unified commerce is the ability to treat inventory as a shared strategic resource rather than a channel-specific constraint.

Unified views of inventory, orders and demand signals allow marketplaces to function as controlled digital windows into boutique stock. Instead of relying on discounting to drive sell-through, brands

can balance inventory dynamically across owned channels and curated platforms.

Intelligent fulfilment models, including ship-from-store, smart order routing and faster return re-integration, protect margins while maintaining service expectations that increasingly influence marketplace ranking and AI visibility.

RETURNS AS A STRATEGIC SIGNAL, NOT A LOGISTICS COST

As discovery becomes increasingly algorithmic, returns evolve from a back-end operational issue into a front-end performance signal.

High return propensity can influence ranking, recommendation logic and long-term customer value. Poor fit, inconsistent product data or fragmented fulfilment experiences can reduce visibility long before a brand recognises the underlying issue.

Unified commerce enables brands to identify root causes through connected data, linking sizing, product attributes, and fulfilment outcomes into continuous feedback loops. AI sizing tools and fit data are increasingly part of this infrastructure, improving future recommendations while protecting margins.



OPERATIONAL READINESS AND EXECUTION MATURITY

As marketplace ecosystems expand, execution maturity becomes the real differentiator. Manual catalogue updates, fragmented localisation workflows and reactive compliance processes can't keep pace with the speed of AI-led commerce. Unified systems enable brands to automate onboarding, maintain consistency across regions and manage the growing complexity of multi-marketplace execution without compromising brand control.

Execution maturity increasingly depends on data readiness. Structured product information, accurate attributes and consistent mapping improve how AI systems interpret luxury products, reducing export errors and strengthening discovery performance across platforms. At the same time, preparing

product and supply-chain data for DPP requirements becomes part of operational infrastructure rather than a standalone compliance task. Unified commerce enables brands to maintain a single source of product truth, ensuring that authenticity, provenance, and lifecycle data remain consistent across marketplaces, resale environments, and evolving regulatory frameworks.

The operational maturity also shapes how quickly brands can scale without technical friction. Some luxury players continue to manage marketplace execution internally, but more advanced implementations often combine internal expertise with managed service models that support onboarding, categorisation, and optimisation at scale. This reduces technical complex-

ity, improves AI visibility and allows internal teams to focus on strategic growth rather than maintenance.

As marketplaces increasingly serve as customer acquisition engines, operational discipline becomes a commercial advantage. Leveraging platform marketing investment lowers customer acquisition costs compared to traditional paid media, turning infrastructure from a cost centre into a growth lever.

In this environment, unified commerce connects AI-led discovery with reliable execution, ensuring that pricing logic, brand presentation and fulfilment performance remain consistent as luxury brands expand across regions, platforms and evolving AI-driven commerce journeys.



THE NEXT PHASE OF MARKETPLACE EXECUTION

OVER THE NEXT TWO YEARS, UNIFIED COMMERCE WILL INCREASINGLY SUPPORT NEW MARKETPLACE BEHAVIOURS SHAPED BY AI, SOCIAL COMMERCE AND PLATFORM-LED LOGISTICS.

HYPER-PERSONALIZATION AND AI

AI personal shoppers are beginning to curate marketplace assortments at an individual level, shifting discovery from browsing toward delegated selection. This increases the importance of structured product data, pricing consistency and fulfilment reliability, all of which feed directly into the KPIs luxury brands must now monitor.

SOCIAL COMMERCE INTEGRATION

The gap between inspiration and transaction continues to shrink. “See now, buy now” journeys are moving from experimentation to expectation. As these journeys accelerate, operational metrics such as stock accuracy, delivery performance and return propensity increasingly influence both visibility and conversion.

LOGISTICS AS A SERVICE

Marketplace-led fulfilment models are also evolving. Solutions such as ZEOS Fulfilment illustrate how brands can scale globally without building their own complex delivery infrastructure. As logistics shifts towards service-based models, fulfilment cost per order and SLA adherence become not just operational measures, but strategic indicators of marketplace performance.

AS THESE MODELS EVOLVE, OPERATIONAL PERFORMANCE BECOMES INSEPARABLE FROM VISIBILITY AND BRAND CONTROL, REDEFINING WHICH KPIs LUXURY LEADERS MUST PRIORITISE.



THE KPIS DEFINING CONTROL IN AI-LED COMMERCE

Unified commerce changes what luxury brands need to measure:

NO. 01

Price consistency across platforms and regions

NO. 02

Return rate by channel and marketplace

NO. 03

Fulfillment cost per order across warehouse, store and cross-border models

NO. 04

Marketplace SLA adherence, including delivery speed, cancellation rates and service quality

These KPIs increasingly influence AI visibility, marketplace ranking and contribution margin, not just operational efficiency.



10 – LUXURY PLAYBOOK

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FIVE PRINCIPLES WINNING BRANDS HAVE IN COMMON

Across AI-led discovery, curated marketplaces and evolving consumer expectations, the brands that succeed share a common mindset. They treat control as a strategic asset, not a constraint.

NO. **01**
**CONTROL
BEATS
REACH**

Winning brands prioritise pricing authority, presentation and data ownership over maximising distribution. In algorithmic environments, uncontrolled reach weakens perceived value.

NO. **02**
**DATA
IS THE NEW
EXCLUSIVITY**

High-fidelity product, pricing and customer data determine how brands are surfaced, compared and recommended by AI systems. Structured data becomes a competitive advantage – the digital equivalent of craftsmanship.

NO. **03**
**CURATION
OUTPERFORMS
OWNERSHIP**

Luxury discovery increasingly happens within curated contexts, not through traditional brand navigation. Platforms that match identity, relevance and meaning outperform those built purely on scale.

NO. **04**
**TRUST CONVERTS
FASTER THAN
DISCOUNTS**

Verified authenticity, provenance and pricing consistency reduce friction in AI-mediated journeys. In environments shaped by comparison, credibility drives conversion more effectively than promotion.

NO. **05**
**INFRASTRUCTURE
SHAPES BRAND
PERCEPTION**

Fulfilment reliability, return performance and price consistency are no longer operational details. In algorithmic commerce, they become signals of brand quality. Execution is part of the luxury experience itself.

Together, these principles form a new operating model for luxury e-commerce: one that balances control with expansion, heritage with data and storytelling with infrastructure.



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