

Retail's \$5B Blind Spot: How GLP-1s Are Breaking Size Curves

400+ Million Units Are at Risk and the Number Continues to Grow



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Executive Summary

The Size Curve Disruption Is Now a Retail Margin Problem

Retail's size models are lagging behind evolving consumer trends—and most planning systems aren't able to catch up.

GLP-1 medications like Ozempic and Wegovy have introduced a biological shift in the customer base, especially among women—the key demographic influencing mainstream purchase trends.

From 2022 to 2024, we observed clear signals of changing consumer size preferences in retail sales data.



Impact Analytics first identified this emerging shift in early 2024, starting with New York City.

-  Demand visibly shifted downward
-  Returns began to spike
-  Core size performance began to misfire

With NYC also leading the country in GLP-1 prescriptions among non-diabetics—about 75% going to women—it became clear this wasn't an isolated pattern; it was the canary in the coal mine.

National Data Is Now Moving in the Same Direction

Yet most planning still relies on outdated, year-old curves rather than forward-looking size curves. Over 400+ million units of large-size apparel could be misaligned with demand by 2027, translating to approximately \$5 billion in misallocated inventory and margin risk.

Resulting Outcomes



Key Insights from the Report

Why the shift is structural, not seasonal

Where size curve misalignment is accelerating

How retailers can take immediate action to protect profit and margins

This isn't about fashion cycles or customer taste. It's about a fundamental consumer shift—and the imperative to rebuild the logic of size planning.

The Business Case for Change

Why Size Curve Optimization Directly Impacts EPS, EBITDA, and Margins

Misaligned size curves create downstream margin pressure

- **Overstocks** in slow-moving sizes
- **Missed sales (stockouts)** in high-velocity small sizes
- **Returns** from fit issues
- **Markdowns** to clear stranded inventory

Optimizing size curves improves business performance

- **Gross Margin** – through better inventory alignment
- **EBITDA** – by reducing working capital inefficiencies
- **EPS** – through in-year impact on cost and margin

400+ Million Units at Risk

We modeled multiple GLP-1 adoption scenarios. If trends hold or accelerate—with no change in planning systems—retailers could misalign 400 million+ units annually by 2027, in sizes L*, XL*, and XXL*, resulting in \$5 billion in retail capital and margin leakage.

That’s not shrinkage. That’s systemic capital misallocation.

| Scenario | Assumptions | Estimated YoY Decline in L+Sizes (2025 vs 2022) | Annual Unit Less (Est. U.S. Market) |
|--------------------------|---|---|-------------------------------------|
| Baseline | GLP-1 usage holds steady at current levels (@-5%) | 1.5-2 pp decline in share of L+ sizes | ~215-285 million units |
| Accelerated Shift | GLP-1 adoption grows to 8% of U.S adults by 2027 | 2-2.5 pp decline in L+ sizes | ~285-360 million units |
| Transformational | GLP-1 adoption grows to 8% of U.S adults by 2027 + Healthy eating trend picks up aggressively | 2.5-3 pp decline in L+ sizes | ~360-430 million units |

Assumes ~60 apparel units purchased per adult annually; ~200M adult shoppers in the U.S.

What's Changing—And Why Legacy Models Are Failing

The Collapse of the Size Curve

Retailers historically plan on stability and legacy data.

Between 2022–2024

| | | |
|---|---|--|
| Women's Tops XS/S grew +2 points L/XL fell -2 points | Men's Tops M/L grew +2.7 points XL/XXL dropped -3.5 points | Shapewear S/M up +1.7 points XL+ down -1.8 points |
|---|---|--|

Women's Bottom

| Size Band | 2022 | 2023 | 2024 | '22-'24 Δ |
|-----------|-------|-------|-------|------------------|
| <25 | 1.2% | 1.6% | 2.0% | +0.8 pp |
| 25-26 | 17.8% | 19.0% | 20.1% | +2.3 pp |
| 27-28 | 30.3% | 30.0% | 29.5% | -0.8 pp |
| 29-30 | 26.6% | 25.9% | 24.8% | -1.8 pp |
| 31-32 | 18.2% | 17.7% | 17.5% | -0.7 pp |
| 33-34+ | 5.9% | 5.8% | 6.1% | +0.2 pp |

Clear left-shift toward smaller sizes:

- Combined **small band (<25 + 25–26)** rose from **19.0% → 22.1% (+3.1 pp)** in two years)
- The **core peak (27–30)** trimmed from **56.9% → 54.3% (-2.6 pp)**, indicating customers are stepping down from the center into smaller bands

Women's Top

| Size Band | 2022 | 2023 | 2024 | '22-'24 Δ |
|-----------|-------|-------|-------|------------------|
| XS | 12.6% | 13.0% | 13.4% | +0.7 pp |
| S | 22.2% | 22.6% | 23.3% | +1.2 pp |
| M | 27.6% | 27.7% | 27.3% | -0.3 pp |
| L | 20.2% | 20.0% | 19.9% | -0.3 pp |
| XL | 12.8% | 11.9% | 11.2% | -1.5 pp |
| XXL | 4.7% | 4.8% | 4.9% | +0.2pp |

Clear shift to smaller tops:

- **XS+S** rises from **34.8% → 36.7% (+1.9 pp)** over two years)
- **L+XL** falls from **33.0% → 31.1% (-1.9 pp)**.
- The **small-to-large index** strengthens from **1.05 → 1.18**, confirming a sustained leftward move

Women's Shapewear

| Size Band | 2022 | 2023 | 2024 | '22-'24 Δ |
|-----------|-------|-------|-------|--------------|
| XS | 1.4% | 1.8% | 1.7% | +0.3 pp |
| S | 15.5% | 15.1% | 16.3% | +0.8 pp |
| M | 25.0% | 24.9% | 25.6% | +0.6 pp |
| L | 23.6% | 24.5% | 23.7% | +0.1 pp |
| XL | 17.6% | 17.8% | 16.9% | -0.7 pp |
| 1X | 9.7% | 9.2% | 8.9% | -0.8 pp |
| 2X+ | 7.1% | 6.7% | 6.9% | -0.2 pp |

Left-shift, but measured:

- XS+S+M expands 41.9% → 43.6% (+1.7 pp)
- XL+1X+2X+3X contracts 34.5% → 32.7% (-1.8 pp)
- The small-to-large index (XS+S vs. XL+1X+2X+3X) improves from 0.5 → 0.55 (~12%)

Note: Impact Analytics has analyzed this data across multiple retailers and presented a generalized, normalized view to highlight directional shifts in size preference. While the above reflects overarching trend, individual retailers may exhibit different size distributions based on their unique customer base, fit profiles, and merchandising strategies.

Men's Bottom

| Size Band | 2022 | 2023 | 2024 | '22-'24 Δ |
|-----------|-------|-------|-------|--------------|
| <30 | 2.7% | 2.8% | 2.7% | 0.0 pp |
| 30-31 | 10.8% | 11.2% | 11.5% | +0.7 pp |
| 32-33 | 23.9% | 24.3% | 24.5% | +0.6 pp |
| 34-35 | 22.4% | 22.4% | 22.8% | +0.4 pp |
| 36-37 | 17.6% | 17.1% | 16.8% | -0.8 pp |
| 38-39 | 12.5% | 12.2% | 12.0% | -0.5 pp |
| 40-41 | 6.8% | 6.9% | 6.6% | -0.2 pp |
| 42-44+ | 3.2% | 3.1% | 3.0% | -0.2 pp |

Re-centering toward the core (30-35):

- Core bands 30-35 rise from 57.1% → 58.8% (+1.7 pp)
- Larger bands 36+ fall from 40.1% → 38.4% (-1.7 pp)
- The Core-to-Large index (30-35 vs. 36+) strengthens 1.42 → 1.53, confirming a gradual leftward drift

Men's Top

| Size Band | 2022 | 2023 | 2024 | '22-'24 Δ |
|-----------|-------|-------|-------|--------------|
| XS | 0.4% | 0.5% | 0.6% | +0.2 pp |
| S | 10.7% | 10.9% | 11.4% | +0.7 pp |
| M | 24.8% | 25.6% | 26.9% | +2.1 pp |
| L | 30.2% | 30.5% | 30.8% | +0.6 pp |
| XL | 21.6% | 21.1% | 20.0% | -1.6 pp |
| XXL | 12.3% | 11.5% | 10.3% | -2.0 pp |

Shift from upper sizes to the core (M/L):

- M gains the most (+2.1 pp), L edges up (+0.6 pp)
- XL and XXL together fall -3.6 pp (from 33.9% → 30.3%)

What’s Driving the Shift: Lasting Changes in Consumer Profiles

GLP-1 medications have now been used by over **12% of U.S. adults, with 6% active users**. These drugs are reshaping body composition quickly and visibly, especially among women—the same demographic driving retail revenue.

Add in cultural shifts toward fitness and wellness, and **demand is compressing toward smaller sizes at scale**.

Returns Are the First Warning Sign

Fit-related returns are climbing:

- **Women’s bottoms:** +2.9 pp
- **Men’s tops:** +1.3 pp

% Returns by Units

| Gender | Category | 2022 | 2023 | 2024 | Δ 2022-2024 |
|--------|----------|-------|-------|-------|----------------|
| Men | Bottoms | 8.8% | 9.8% | 10.2% | +1.4 pp |
| Men | Tops | 4.2% | 5.2% | 5.5% | +1.3 pp |
| Women | Bottoms | 12.3% | 13.9% | 15.2% | +2.9 pp |
| Women | Tops | 6.0% | 6.8% | 6.4% | +0.4 pp |

Note: Impact Analytics has analyzed this data across multiple retailers and presented a generalized, normalized view to highlight directional shifts in returns. While the above reflects overarching trends, individual retailers may exhibit different return rates based on their unique customer base, fit profiles, and merchandising strategies

These aren’t quality complaints—they’re signals that inventory **doesn’t match evolving bodies**.

Retail Is Still Planning for a Disappearing Consumer

Most systems still rely on historical averages and national pack ratios.

The results:

- **Overstock** in L and XL
- **Missed demand** in smaller sizes
- **Rising margin leakage** from reactive markdowns

The old playbook assumes slow change. The new reality requires constant recalibration.

Where the Shift Is Accelerating First

From NYC to Nationwide: A Tipping Point

In early 2024, Impact Analytics spotted the first collapse in New York.



Demand Shifted Down



Returns Spiked



Core Sizes Misfired

NYC also leads the country in non-diabetic GLP-1 prescriptions, with ~75% going to women. It wasn't an outlier—it was the preview.

Now, national data is following the same trajectory. And with FDA approvals broadening indications and insurers starting to cover non-diabetic use, adoption is set to accelerate beyond today's pace.

This Is Not a Blip—It's the Start of a Realignment

Why This Matters Now



The Foundation Has Shifted

GLP-1s have broken historical curve logic



Acceleration Is Building

Intent among Gen Z and Millennials is rising



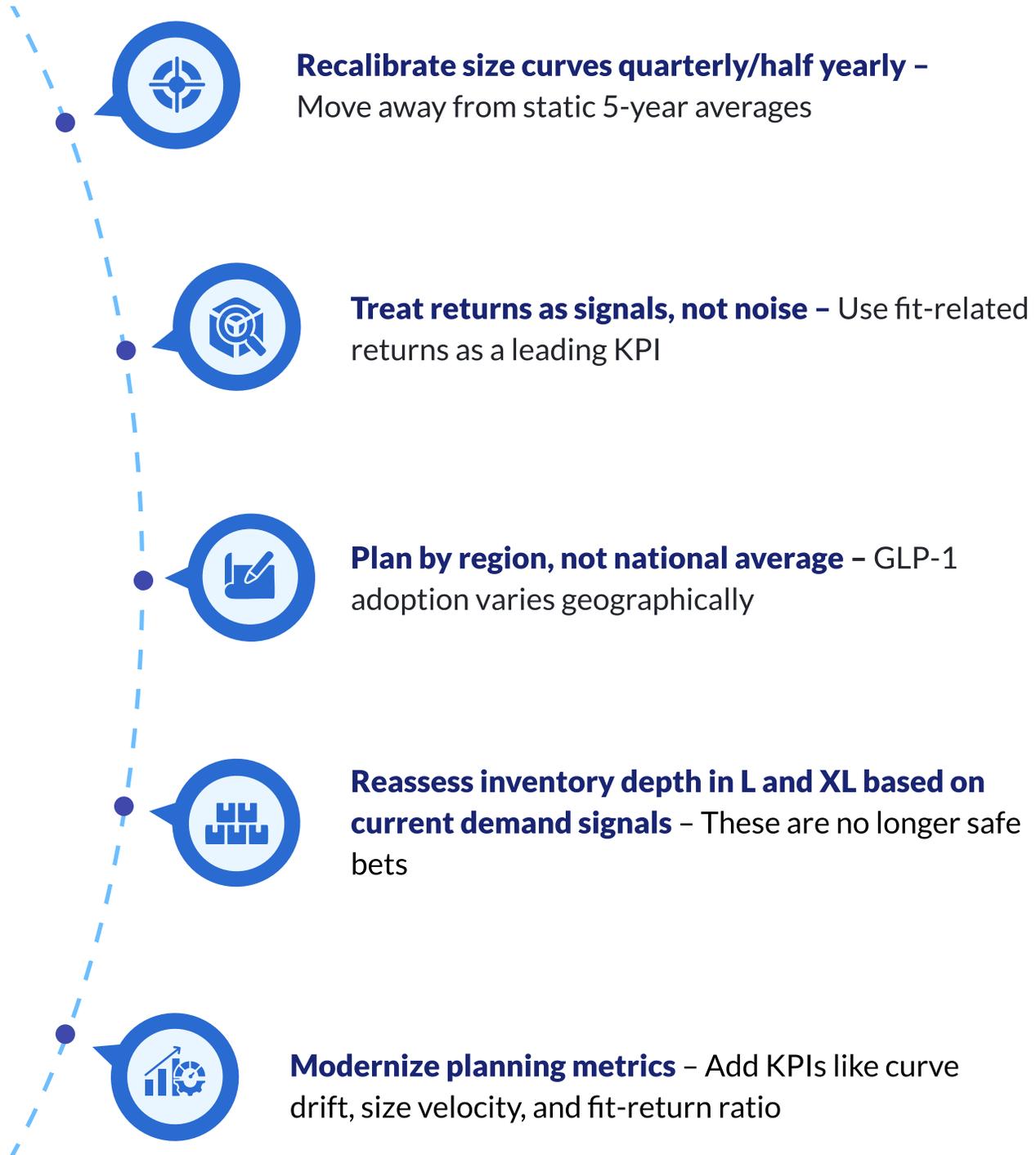
The Impact Is Operational

It's showing up in returns, sell-through, and markdowns

Retail systems are built on outdated assumptions. The question is how long those assumptions will continue to cost you.

The Path Forward

Five Strategic Shifts Retailers Must Make Now



Legacy planning systems that cannot shift with agility will be unable to address this problem before it costs the industry billions of dollars.

The Impact Analytics Response: AI-Native SizeSmart™

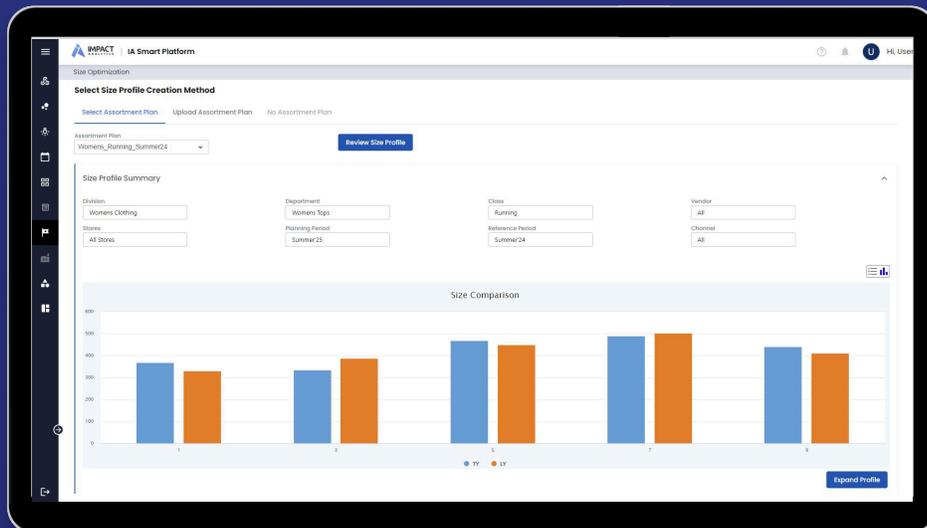


It's the system for staying ahead when consumer trends outpace traditional forecasting.

SizeSmart™ Delivers

| | | |
|--|--|---|
| <p>15-20% Improvement in Size-Level Forecast Accuracy</p> | <p>10-15% Reduction in Markdowns on Large Sizes</p> | <p>Faster Inventory Turn and Better Margin Realization</p> |
|--|--|---|

It's not just smarter planning. It's bottom-line performance.



Conclusion: The Realignment Starts Now

The shift is already in motion. The only question is:
Will your systems catch up—or fall further behind?

If you're ready to realign planning around today's consumer reality, our retail strategy team can help. Let's talk before the next buy cycle locks in assumptions that no longer hold.



Take the Next Step

Let's discuss how your size curves are shifting and what that means for your inventory mix. Our team can share category-level trends, highlight gaps between current demand and existing plans, and outline targeted actions to protect margin.

Book a Meeting



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About Impact Analytics

Impact Analytics delivers AI-native SaaS solutions and consulting services that help companies maximize profitability and customer satisfaction through deeper data insights and predictive analytics. With a fully integrated, end-to-end platform for planning, forecasting, merchandising, pricing and promotions, Impact Analytics empowers companies to make smarter decisions based on real-time insights, rather than relying on last year's inputs to forecast and plan this year's business. Powered by over one million machine learning models, Impact Analytics has been at the forefront of AI innovation for a decade, setting new benchmarks in forecasting, planning, and operational excellence across retail, grocery, manufacturing, and CPG sectors. Recognized for innovation and growth by Fortune, Financial Times, Inc. 5000, and the RIS Leaderboard, Impact Analytics continues to lead the way in shaping the future of business intelligence. Think differently about AI and learn more at www.impactanalytics.co.