

INDUSTRY REPORTS

# DTC Brand Growth Report: Scaling from \$1M to \$10M

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Growth levers, marketing channel allocation, team structure, and tech stack decisions from 50 scaling DTC brands.

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# About This Report

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This report synthesizes insights from 50 DTC brands that successfully scaled from \$1M to \$10M+ in annual revenue. We interviewed founders and growth leaders to identify the common strategies, mistakes, and inflection points in their scaling journeys.

## The \$1M to \$3M Phase

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The first scaling phase is about finding product-market fit and establishing efficient customer acquisition channels. Most brands in this phase are founder-led with 3-5 team members.

Critical actions: establish one profitable acquisition channel (usually Meta Ads or Google Ads), build an email list and implement automated flows, optimize your core product offering based on customer feedback, and achieve 3:1 or better ROAS on paid channels.

## The \$3M to \$7M Phase

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This is the 'messy middle' where brands must professionalize operations, diversify channels, and build a team beyond the founders.

Key hires at this stage: performance marketing manager, operations/fulfillment lead, customer service team (2-3 people), and a content creator. Channel diversification typically means adding a second paid channel and investing in organic (SEO + content).

## The \$7M to \$10M+ Phase

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Brands reaching this stage need systems and infrastructure to scale. This means investing in technology (ERP, advanced analytics), building a management layer, and exploring new revenue streams (wholesale, international, subscriptions).

Common technology investments at this stage: advanced analytics (Triple Whale or Northbeam), ERP integration (NetSuite or Cin7), customer data platform (Klaviyo or Segment), and project management tools for the growing team.

## Common Mistakes That Stall Growth

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Our research identified five mistakes that consistently stall growth between \$1M and \$10M.

- Scaling paid spend before achieving positive unit economics
- Hiring too fast without clear role definitions
- Ignoring retention in favor of acquisition
- Over-investing in brand redesign instead of conversion optimization
- Expanding to new channels before mastering existing ones

# About Creative Labs

Creative Labs is a global eCommerce agency specializing in Shopify development, SEO, conversion optimization, and digital growth strategies. We help brands build online stores that convert and scale.

## Get in Touch

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