

E-Commerce

QUARTERLY SECTOR BRIEF | Q3 2025

What's Included:

- 01** **Insights:** Consumer customization trends and macroeconomic considerations continue to be top-of-mind for e-commerce brands, platforms, and marketplaces
- 02** **Sector Activity:** Generally positive financial trends across the e-commerce space, with digitally native and omnichannel brands seeing increases in active customers
- 03** **Connect With Us:** Contact information for the Harris Williams team

01

E-COMMERCE
Q3 2025

Insights

Our approach to the e-commerce sector, D2C sub-sectors, the key themes driving trends in the sector, and relevant articles we are reading.



Q3 2025: Key Trends Observed

The e-commerce landscape continues to evolve to personalization and macroeconomic trends, prompting companies to adapt their playbooks.

Happening in E-Commerce Right Now

Convenience and Speed Continue to Be Key Consumer Considerations

“Speed of delivery is important to customers, and we’re continuing to get faster. Approximately 1/3 of deliveries from store in recent weeks were fast delivery in 3 hours or less, reinforcing the value of our store network and driving speed, and 20% of those deliveries arrived to our customers in 30 minutes or less.”

– John Rainey, CFO of Walmart
August 2025 Earnings Call



Continuing Trends Surrounding AI-Driven Personalization in Marketing Channels

“We are also leveraging AI to continually improve the overall personalization and efficiency of the ads we show users. These always-on efforts are resulting in higher click-through and conversion rates as we optimize our AI models to better understand our users’ tastes and styles. For example, in Q2 [ended June 30, 2025], we significantly improved the performance of our large-scale conversion models by incorporating more sequences of signals about a user’s commercial journey on the platform.”

– Bill Ready, CEO of Pinterest
August 2025 Earnings Call



Reducing Transit Time and Increasing Route Efficiency Is Key for E-Commerce Marketplaces

“We’ve also reduced the average distance packages traveled by 12% and lowered handling touches per unit by nearly 15%. We’ve made progress on order consolidation with more products positioned locally, we’re able to pack more items into each box and send fewer packages per order. That has helped drive higher units per box and improved overall cost to serve. Taken together, these improvements are making the network faster and structurally more efficient.”

– Andy Jassy, CEO of Amazon
July 2025 Earnings Call



Ongoing Impact of Social Media Content Creators in Marketing Distribution and Brand Awareness

“We also launched the first home improvement creator network with MrBeast, the world’s most followed creator among the first to join. This network is aimed at partnering with influencers across social media as trusted voices to drive brand engagement for our products and services... We’re excited to see how our new creator network will enhance our connection with Gen Z and millennial customers.”

– Marvin Ellison, CEO of Lowes
August 2025 Earnings Call



Tariffs Concerns Continue to Be Top-of-Mind

“We expect that the incremental flow-through from our higher net revenues will be pressured by incremental tariff costs. These costs include the additional tariffs on China of 30%, India of 50%, Vietnam of 20%, an average tariff on the rest of the world of 18%, as well as the steel and aluminum tariff of 50% and the copper tariff of 50%.”

– Laura Alber, President and CEO of Williams-Sonoma
August 2025 Earnings Announcement

Going Direct: Three E-Commerce Tactics Driving D2C Growth

While geopolitical and economic uncertainty have dominated headlines, consumer spending behavior shows an encouraging degree of resilience. With that long-term resilience in mind, M&A investors have continued to show interest in a range of high-performing consumer industry subsectors.

Within those areas, direct-to-consumer brands with exemplary e-commerce capabilities are especially sought after.

According to the 2025 Harris Williams E-Commerce Consumer Survey, 88% of consumers used online channels for at least half their purchases in 2024, up from 84% in 2023. D2C brands are also typically better positioned in a dynamic global trade environment, says Will Bain, a managing director: “D2C brands can react more quickly to supply chain and cost changes, have greater flexibility in pricing decisions, and can enact pricing changes more readily. That capability, combined with more direct communication and messaging to the consumer, positions D2C brands to succeed during uncertain times.”

1. Adopt a Consumer-First, Omni-Channel Strategy

With continued pressure on customer acquisition costs, building a comprehensive brand presence is key, including a

strong presence in third-party marketplaces. Our 2025 E-Commerce Consumer Survey shows 62% of consumers visited online marketplaces during the 2024 holiday season, up from 42% in 2023. Thirty-three percent made purchases from those marketplaces, compared to 19% in 2023.

“The top marketplaces and retailer websites continue to further break down the barriers to shopping online, registering resilient growth during times of uncertainty,” says Ryan Budlong. “They’ve proven to be a critical source to drive brand awareness and customer conversion.”

At the same time, having a physical presence in the right retail location allows consumers to see, touch, and try items in person, helping overcome some of the limitations of the D2C model while exposing new customers to digitally native brands. Consumers say a physical presence is as impactful as strong consumer reviews online—in fact, physical stores were consumers’ preferred places to research and discover new brands for the second year in a row. This trend is building: 68% of consumers said they preferred to buy products available through multiple channels versus 59% in the previous year.

2. Supply Chain Management

With global trade dynamics continuing to threaten to disrupt many consumer subsectors, many companies are investing in their supply chains and inventory management. According to a recent Harris Williams survey of purchasing and pricing

executives, 90% of companies are expecting to make investments in supply chain adaptability, with nearly half making significant investments in these areas. Freight optimization is the leading tactic for offsetting tariffs, followed by order optimization.

[READ MORE](#)

CONTACTS



Will Bain
Managing Director



Ryan Budlong
Managing Director

FEATURED ENGAGEMENTS

DUDE WIPES
— has received a strategic growth investment from —
TSG CONSUMER

TANGLE TEEZER
— a portfolio company of —
MAYFAIR EQUITY PARTNERS
— has been acquired by —
BIC

Lintbells YUMOVE
— a portfolio company of —
inflexion
— has been acquired by —
Vetnique
— a portfolio company of —
GREYHORN

02

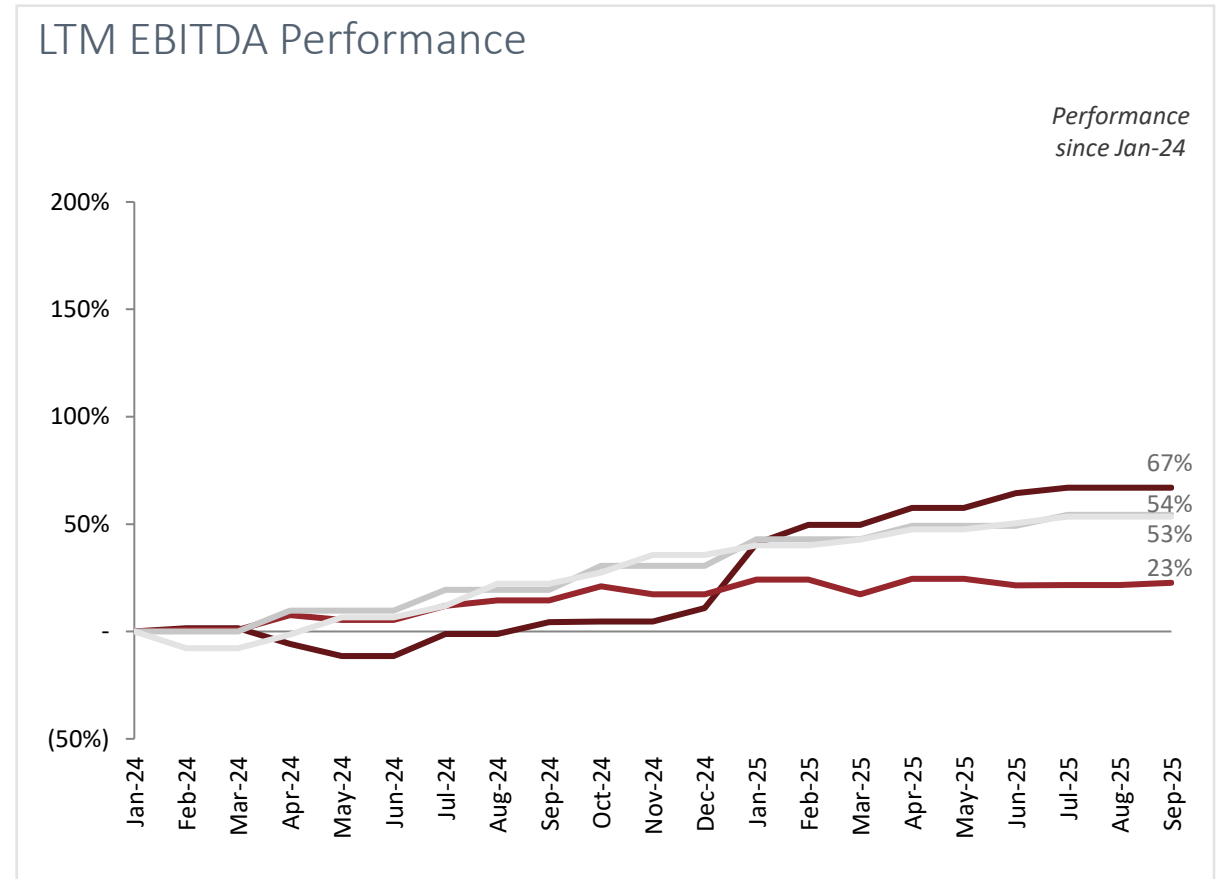
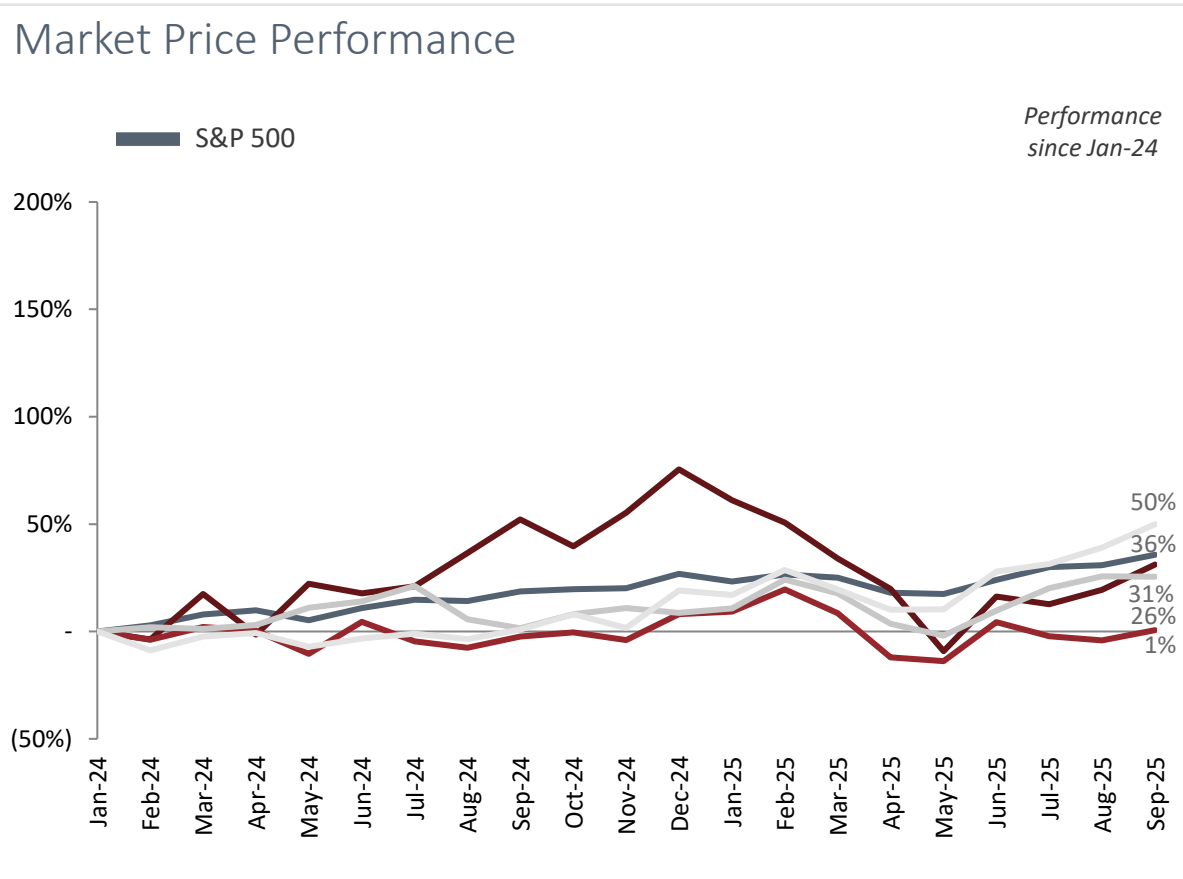
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Sector Activity

Sector landscape mapping, key themes investors are underwriting, and an update on public market valuations.



Recent Public Company Market Performance



Digitally Native Brands

a.k.a.

REVOLVE **FIGS**
STITCH FIX

Omnichannel Brands

MONCLER **DULUTH TRADING CO.** **lululemon**
WARBY PARKER **YETI**

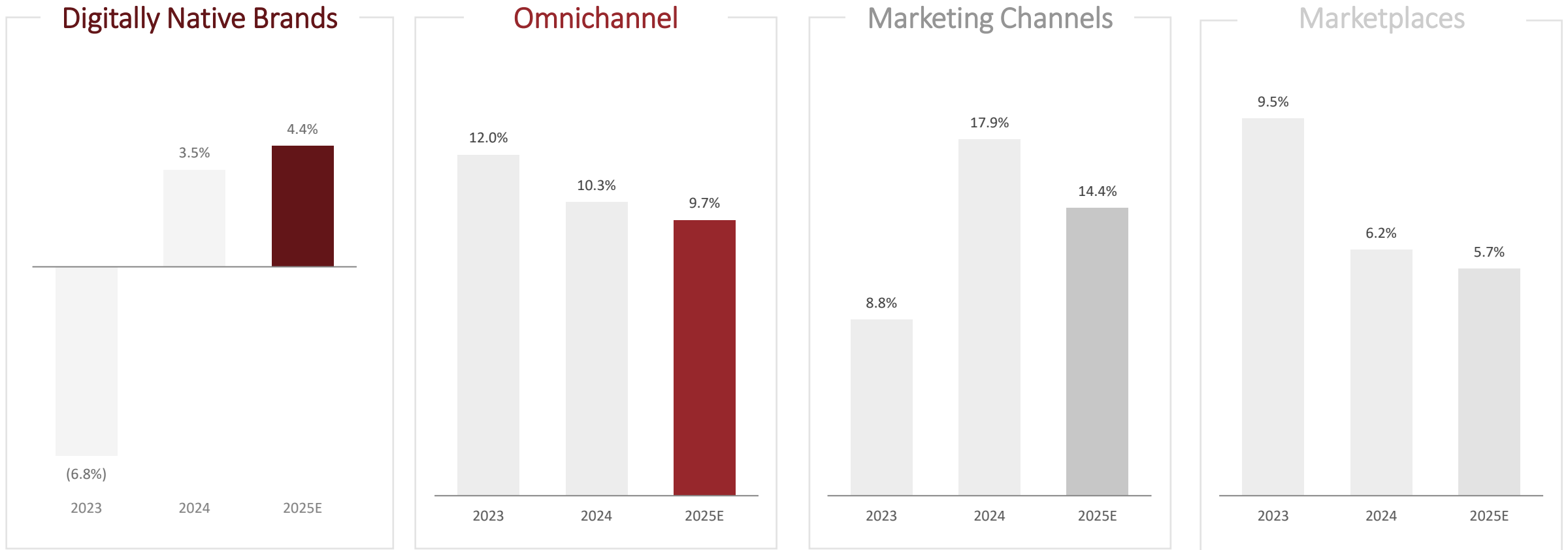
Marketing Channels

Google Meta Pinterest Snapchat

Marketplaces

amazon chewy ebay
Etsy shopify wayfair

Public Company Median Revenue Growth Trends



Digitally Native Brands

a.k.a. **FIGS**

REVOLVE **STITCH FIX**

Omnichannel Brands

MONCLER **DULUTH TRADING CO.** **lululemon**

WARBY PARKER **YETI**

Marketing Channels

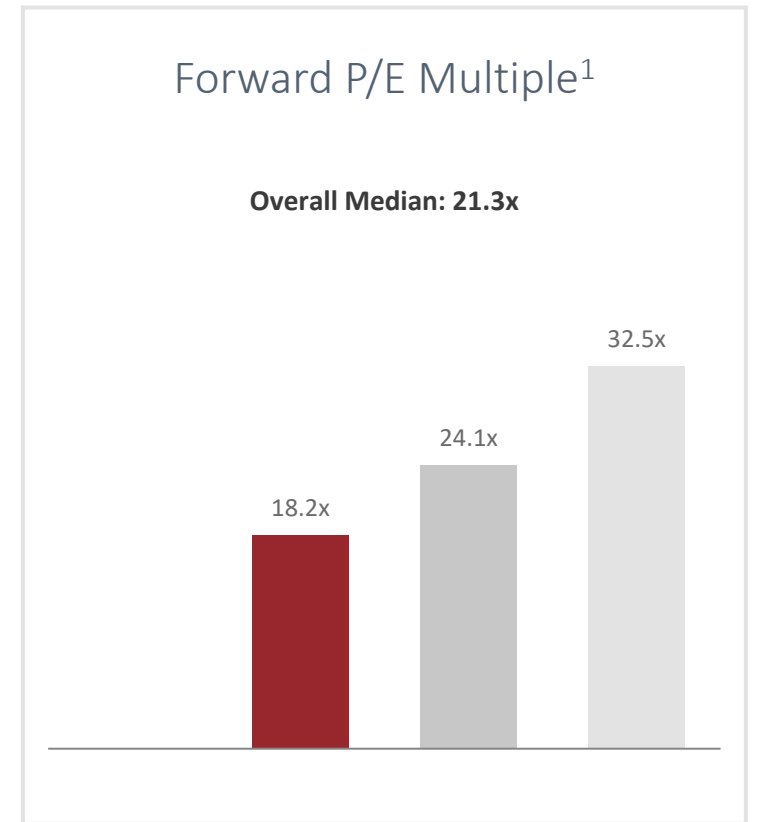
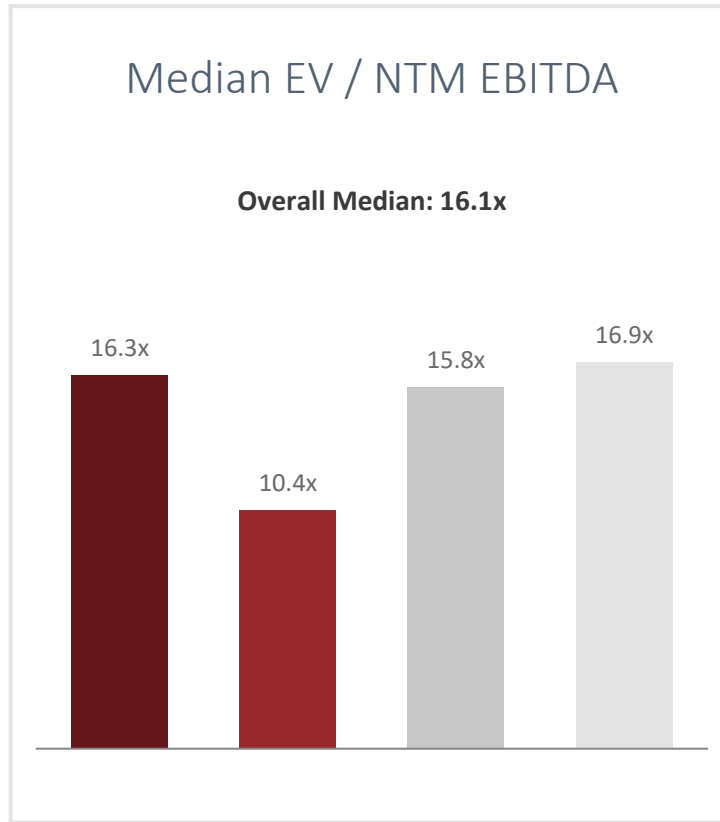
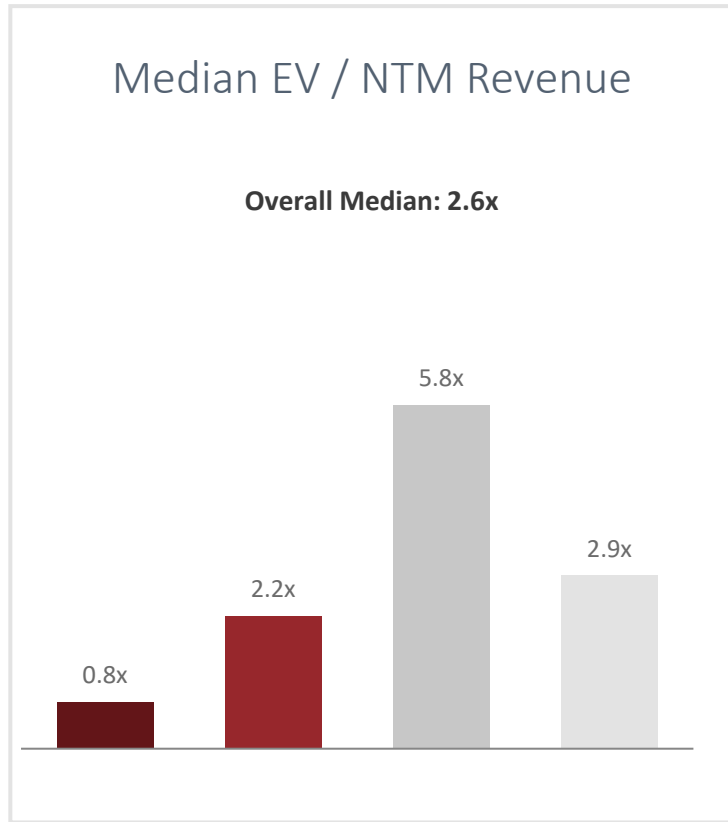
Google **Meta** **Pinterest** **SNAPCHAT**

Marketplaces

amazon **chewy** **ebay**

Etsy **shopify** **wayfair**

Public Company Valuation Metrics



Digitally Native Brands

a.k.a. FIGS

REVOLVE STITCH FIX

Omnichannel Brands

MONCLER DULUTH TRADING CO. WARBY PARKER lululemon YETI

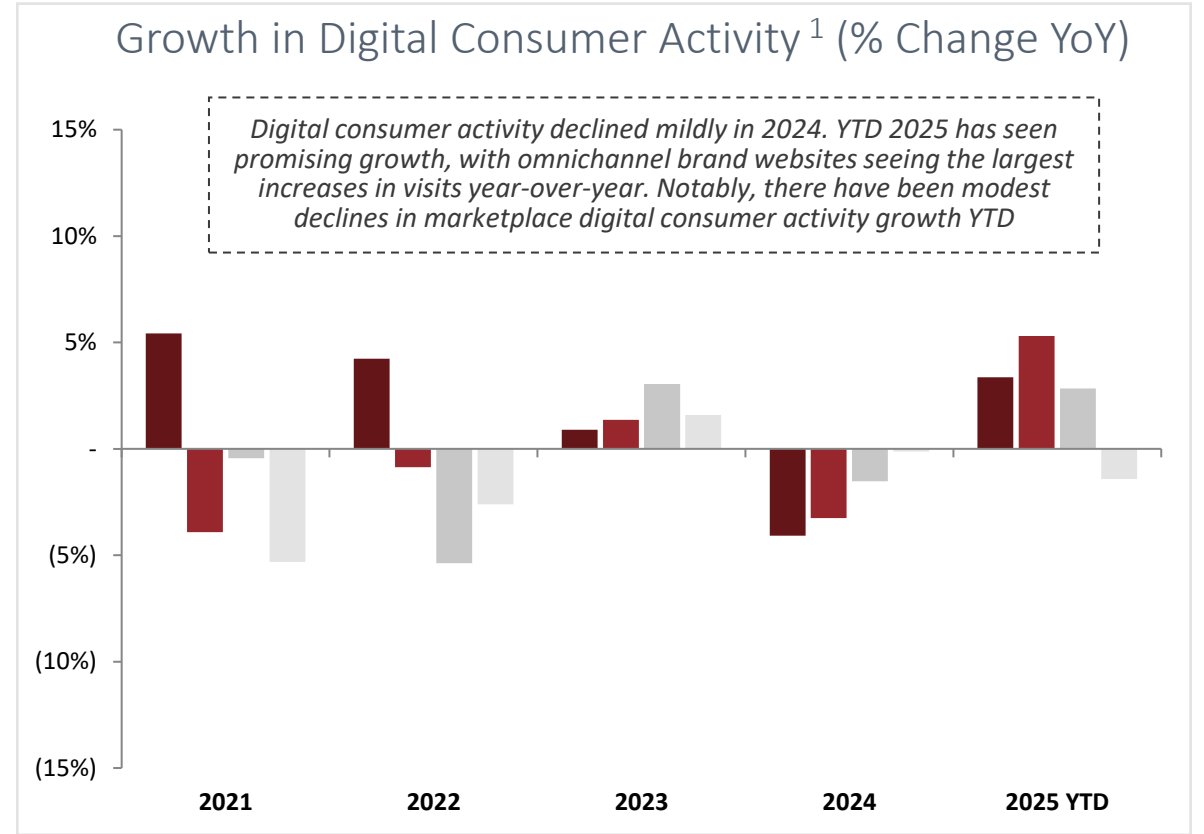
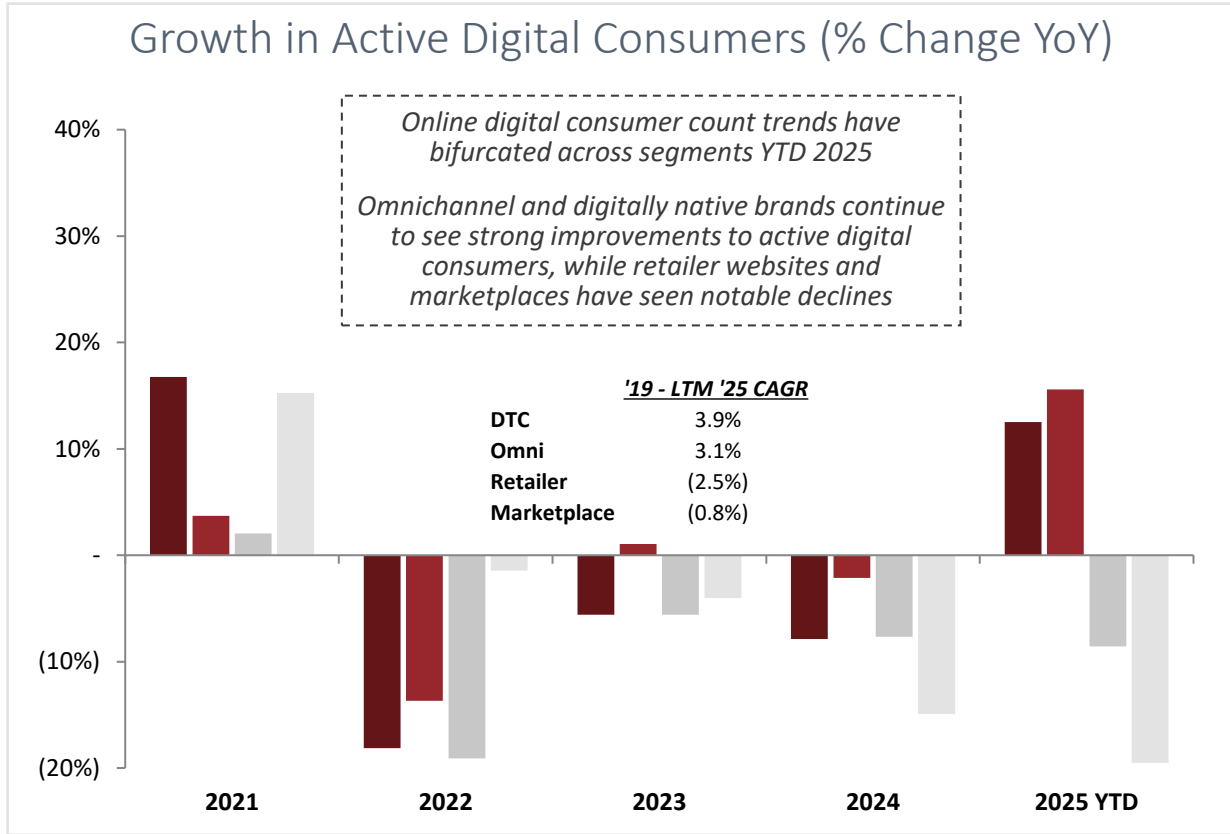
Marketing Channels

Google Meta Pinterest Snapchat

Marketplaces

amazon Etsy chewy wayfair

Web Traffic Analytics by Channel



Digitally Native Brands

Omnichannel Brands

Retailer Websites

Marketplaces



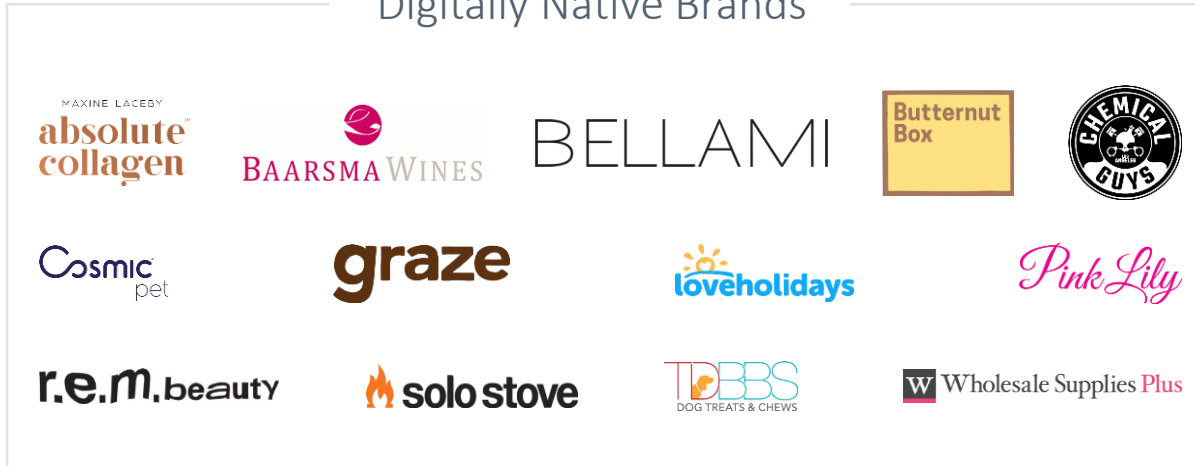
Source: Harris Williams proprietary data analysis via Semrush analytics; YTD 2025 compares YTD Aug-25 to YTD Aug-24; CAGR time period of 5.33 years

(1) Total Visits / Unique Visitors

Harris Williams: Deep DTC and E-Commerce Sector Experience

Select DTC / E-Commerce Clients

Digitally Native Brands



Omnichannel Brands



Consumer-Facing Technology



Marketing & Data Analytics



E-Commerce Analytics



03

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Q3 2025

Connect With Us



Our Team

Connect With Our Team

Learn more about our deep expertise unlocking value for great businesses in the e-commerce sector:



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Mergers & Acquisitions • Private Capital Solutions • Primary Fund Placement


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83% Managing Directors promoted from within the firm

30+ Year history



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-  Consumer
-  Energy, Power & Infrastructure
-  Healthcare & Life Sciences
-  Industrials
-  Technology
-  Transportation & Logistics

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