



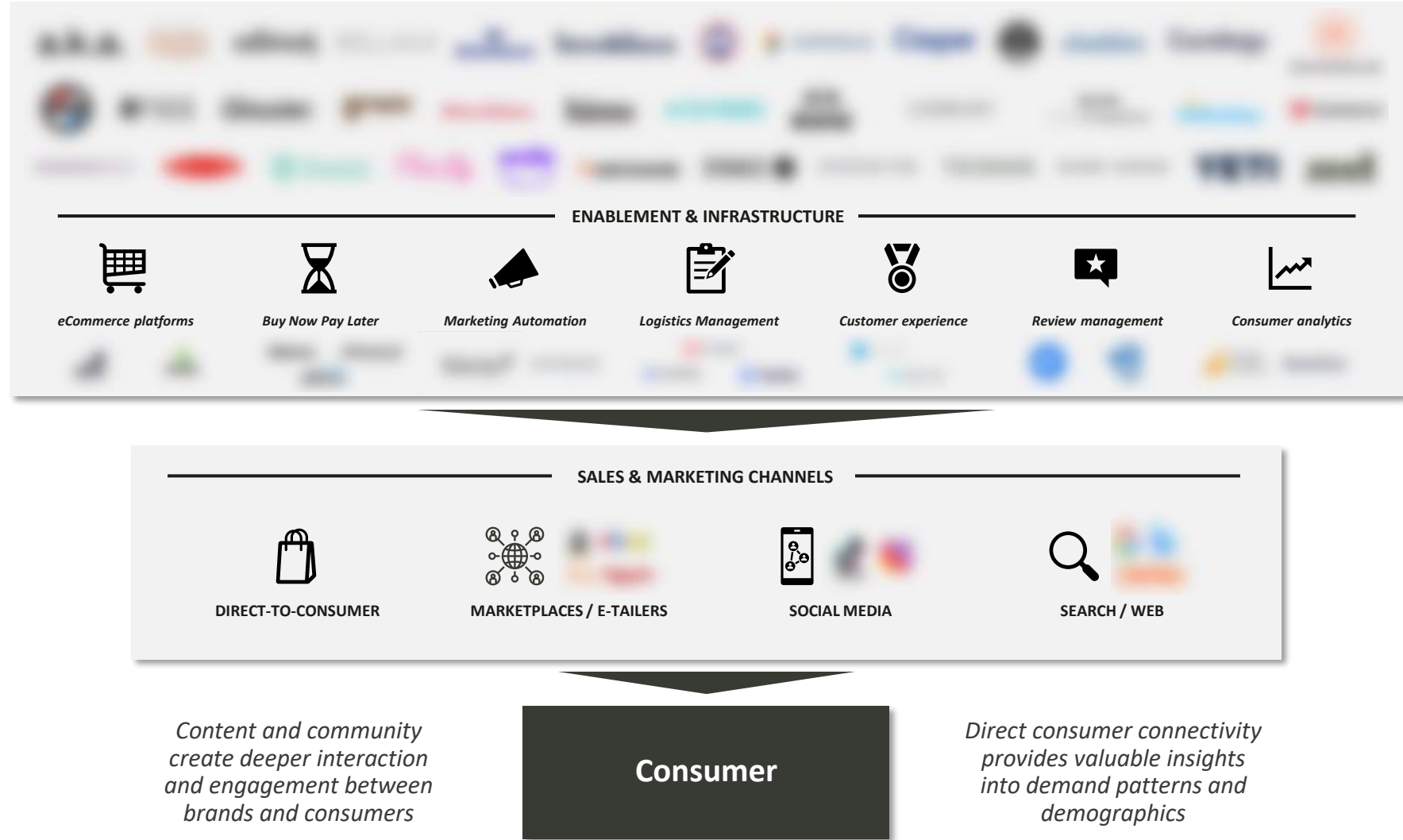
eCommerce Sector Update

Harris Williams | Q1 2023

Mapping the eCommerce Ecosystem

To view the full market map, please contact:
ConsumerInsights@harriswilliams.com

The sector encompasses all providers supporting the digital / online purchases of goods and services.



Key Trends in the eCommerce Market

The eCommerce landscape continues to experience sector disruption, prompting companies to change their marketing playbook.

Happening in eCommerce Market Right Now



Digital Privacy Changes

Ongoing reduction of sales attribution measurements is driven by tech companies disabling cross-app and browser tracking. Changes to Apple's iOS privacy policies and Google's third-party cookies significantly reduce the ability to link marketing efforts to outcomes.

Rotation of Consumer Spending Patterns



As the pandemic subsides, consumers are rotating back to pre-COVID purchasing behavior, and in-store shopping has rebounded. Return of spending on services continues as consumers shift back to in-person experiences.



Adapting to Disruption and Changing Marketing Strategies

Companies are adjusting to the evolving sales attribution challenges and consumer rotation through multiple solutions focused on creating stronger connectivity with the end consumer, utilizing different attribution channels, and developing focused brand affinity.

Increased Reliance on First-Party Data Sources

Marketing strategies are focusing more on forming deeper connections with existing customers through personalization and other online individualization, as well as audience segmentation to create customized messaging.



Refining 3P Data Analyses

As an alternative to available attribution channels, companies are running campaign regressions to value customer acquisition and marketing efforts and shifting toward trackable promotions (e.g., influencer codes).

Premium on Brand-Building Efforts

Companies are focusing on fostering genuine brand value, which creates pull demand for end consumers and will mitigate the impact of changes to prospecting marketing.



Deep DTC & eCommerce Sector Experience

Select DTC / eCommerce Clients

DIGITALLY NATIVE BRANDS



OMNICHANNEL BRANDS



CONSUMER-FACING TECHNOLOGY



MARKETING & DATA ANALYTICS



ECOMMERCE ANALYTICS



Insightful Sector Content

- 2022 The Middle Market: eCommerce Will See M&A Growth in Tough Times



[Link to Read](#)

- Industry Update: eCommerce Enablement & Marketplace Technology | May 2022



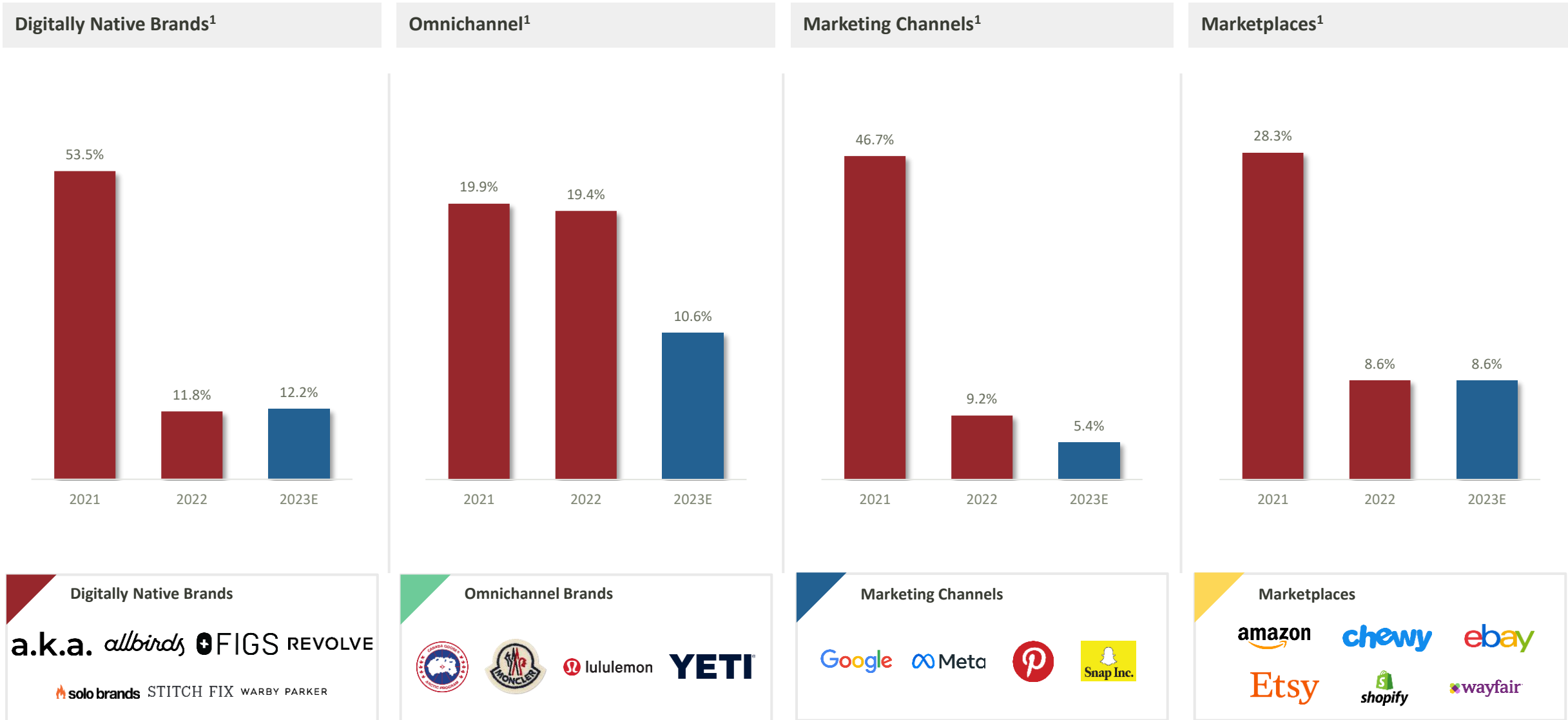
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- Deal Snapshot: Pink Lily | February 2022



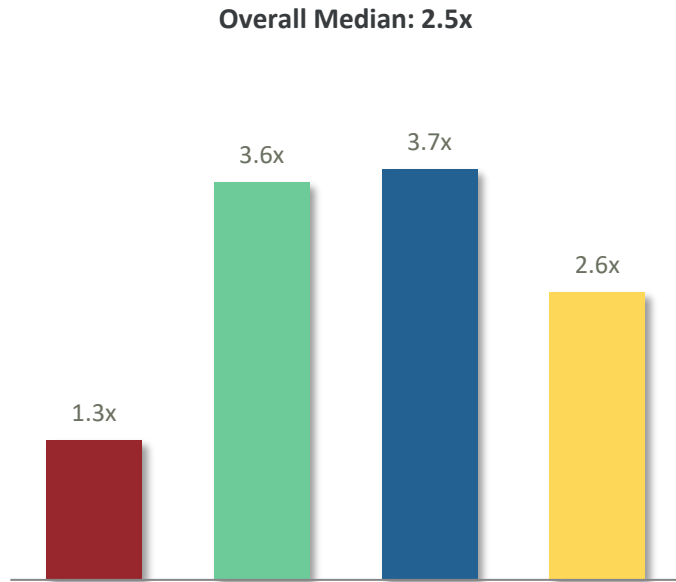
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eCommerce Public Company Operating Metrics – Revenue Growth

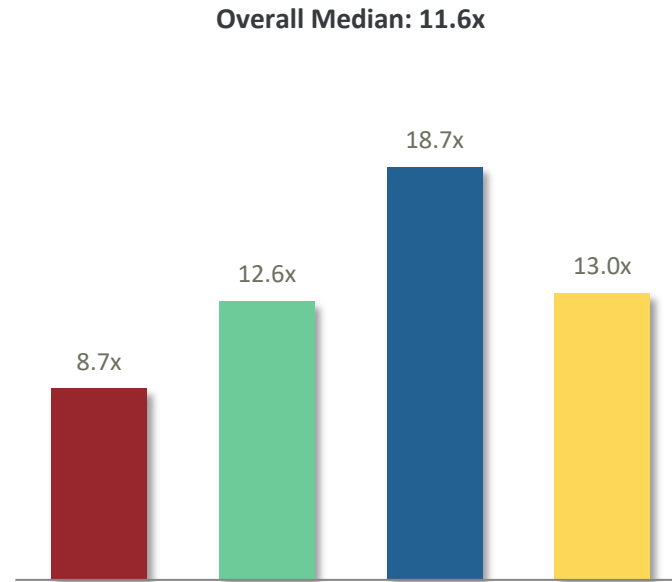


eCommerce Public Company Valuation Metrics

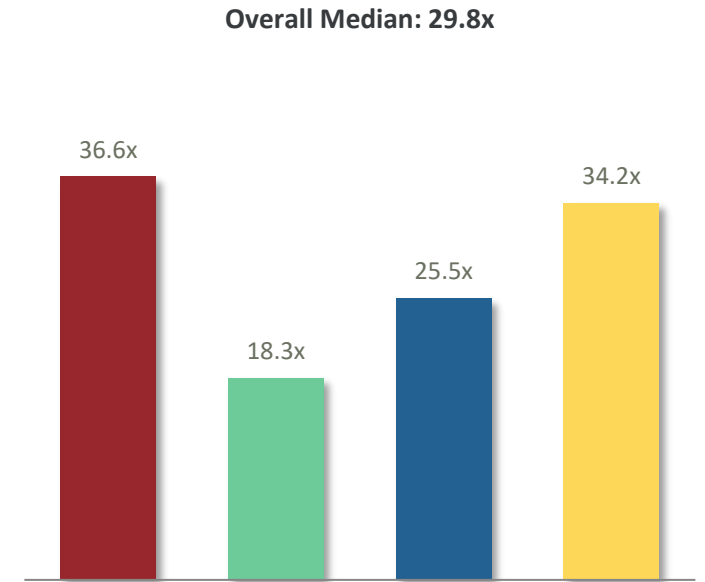
Median EV / NTM Revenue¹



Median EV / NTM EBITDA¹



Forward P/E Multiple¹



Digitally Native Brands

a.k.a. *allbirds*, FIGS, REVOLVE

solo brands, STITCH FIX, WARBY PARKER

Omnichannel Brands

lululemon, YETI

Marketing Channels

Google, Meta, Pinterest, Snap Inc.

Marketplaces

amazon, chewy, ebay

Etsy, shopify, wayfair

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Deep Industry Experience



Aerospace, Defense & Government Services



Business Services



Consumer



Energy, Power & Infrastructure



Healthcare & Life Sciences



Industrials



Technology



Transportation & Logistics

Unique Multi-Sector Coverage of eCommerce

70% Revenue from repeat clients

83% Managing directors promoted from within the firm

30+ Year history



Harris Williams Contacts

Will Bain

Managing Director | Consumer Group
wbain@harriswilliams.com
+44 (20) 7518-8906

Ryan Budlong

Managing Director | Consumer Group
rbudlong@harriswilliams.com
+1 (415) 217-3409

Beau Pierce

Director | Consumer Group
bpierce@harriswilliams.com
+1 (804) 887-6113

Brian Titterington

Director | Technology Group
btitterington@harriswilliams.com
+1 (415) 217-3425

Bernardo Villar

Vice President | Consumer Group
bvillar@harriswilliams.com
+1 (804) 915-0164

Sources and Disclosures

Sources

1. S&P Capital IQ
2. Pitchbook

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