

AS FEATURED IN

DIGITAL RETAIL

COMMERCE 360

THE FUTURE OF AMERICAN ECOMMERCE

FEBRUARY 2025



Compliments of

 **linnworks**[®]

METHODOLOGY

Digital Commerce 360 analysts rank online retailers around the globe by region: North America, Europe, Asia and Latin America (South and Central America). In North America, Digital Commerce 360 ranks and analyzes the Top 2000 ecommerce companies. All companies, whether they operate one URL or 20+ URLs, are ranked by combined annual total web sales. For example, The Gap Inc., which owns Banana Republic and Old Navy, has web sales for all three combined in Digital Commerce 360 rankings under parent company The Gap Inc.

For this report, Digital Commerce 360 analysts have removed 143 companies that are headquartered in Canada or Mexico from the data, leaving 1,857 companies headquartered in the United States. Digital Commerce 360 categorizes each company ranked around the globe into one of 14 merchandise categories.

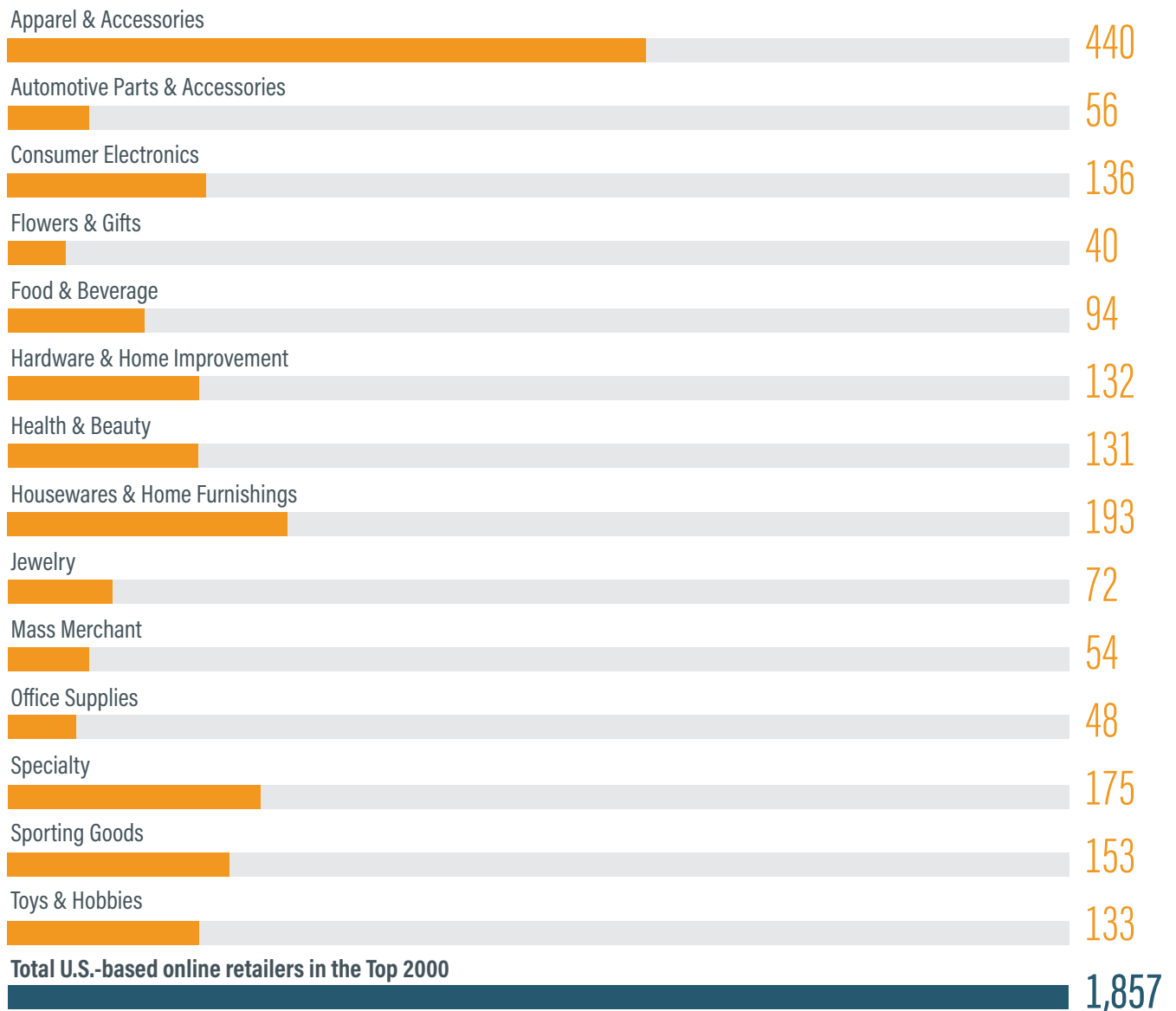
The Mass Merchant category includes retailers such as Amazon, Walmart, Target, Costco, Macy's and many others that sell products from multiple categories. For this report, their web sales for all products are only included in the Mass Merchant category.

Digital Commerce 360 determines web sales based on several sources, including public company filings, retailer surveys, interviews and internal estimates based on publicly available data. Digital Commerce 360 does not include restaurant sales or sales of goods not normally sold online, such as fuel or automobiles, in its methodology. Wholesale and business-to-business sales are also excluded, even if they were completed online.

This report compares how U.S.-based companies perform in their respective categories. In addition, it compares categories to each other and showcases each category's market share of total web sales. The web sales represent global sales, but Digital Commerce 360 tracks percent of sales in the U.S. for each company in the North American database.

U.S.-BASED ONLINE RETAILERS BY CATEGORY

The 1,857 U.S.-based online retailers in Digital Commerce 360 rankings broken down by category.



Source: Digital Commerce 360

OVERVIEW

So far, predictability has been a rare commodity for ecommerce in the 2020s. After a spike during the COVID-19 pandemic, shocks to global supply chains and an inflation roller coaster that chilled consumer spending, global web sales were up for a second year in a row in 2024.

The 7.5% year-over-year increase in global online sales to nearly \$1.1 trillion was well below the double-digit jumps from the previous decade. Still, the results put ecommerce on a trajectory to rise once again in 2025.

Digital Commerce 360 projects that overall growth in web sales will be relatively shallow in 2025, reaching 7.7% as spending eclipses the \$1.2 trillion mark. Yet the growth story for the year is not likely to be the same across categories.

Across the 14 categories that Digital Commerce 360 tracks, the top online retailers navigated common macro trends in global markets. However, they also faced challenges unique to their own spaces. For instance, Health & Beauty merchants saw growth stay above 10% for a second year in a row, demonstrating the continuing role ecommerce plays in how consumers acquire health products and explore self-care. Meanwhile, Flowers & Gifts and Consumer Electronics both saw negative growth globally in 2024.

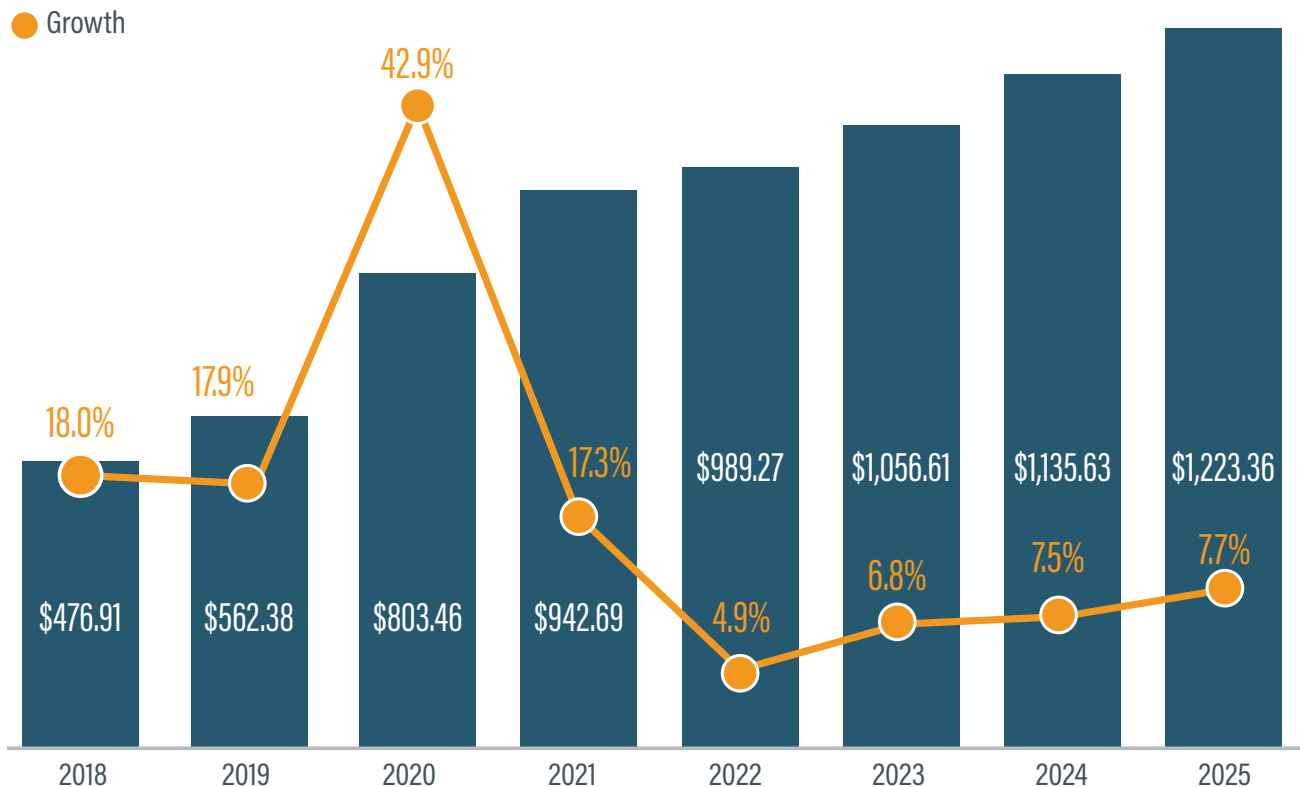
In categories where growth remains under pressure, at least some of the lost business flowed to Mass Merchants, including giants such as Amazon and Walmart, entrenching their dominance.

That category's web sales increased by 10.8% year over year in 2024. Meanwhile, with only 54 merchants in the category, this group grew its share of total U.S.-based ecommerce activity to 55.6% in 2024 from 53.7% in 2023.

As we look ahead toward how 2025 seems likely to take shape, each category has its own stories to tell, with a larger picture full of cautious optimism and well-positioned leaders standing ready to get even bigger in the months to come.

STATE OF AMERICAN ECOMMERCE

Global web sales of the 1,857 U.S.-based online retailers (in \$billions)



Source: Digital Commerce 360

OMNICHANNEL PRODUCT MANAGEMENT IS HERE TO HELP

An executive conversation with **Georgia Leybourne**, chief marketing officer, Linnworks



In an increasingly omnichannel retail environment, merchants need to be able to designate products for certain channels while keeping track of all those products. To learn more, we spoke with Georgia Leybourne, chief marketing officer at Linnworks, about how retailers can connect their inventory across multiple channels.

What is the most notable way you have seen Linnworks adapt to the rapidly changing landscape of ecommerce over the past three years?

Connectivity enabling retailers to truly embrace multi-channel has been critical, and the need for technology to encourage interoperability and automation is at an all-time high.

The consumer is in the driver's seat, and call it what you will, but the consumer wants a seamless/unified/frictionless experience. To respond to the consumer and to our customer, the retailer, we've evolved our platform to embrace the proliferation of marketplaces and provide connectivity to multiple channels.

What challenges do you see online retailers most concerned about in 2025?

First and foremost: Satisfying their customers and creating that sublime buying experience regardless of channel. And high up there are returns — the bane of a retailer's life.

Also challenging are margins in the form of increasing revenue potential and keeping operational costs down. Then, there's the fulfilment battle of speed vs. reliability. Our research shows that the discerning customer is more focused on reliability than speed.

There's also sustainability. Retail wants to be green, but it can be expensive.

How important is the post-purchase experience for today's online retail customers? Where do you see the most opportunity to help merchants to enhance it?

It's all about accurate, timely and relevant communication. From the moment a consumer pushes the buy button, you need to give reassurance that they made the right choice, their order is being processed, their goods will be dispatched, and that they will arrive at a particular time.

And if something goes wrong, you let them know ASAP and give an update on how you plan to rectify the situation.

Once delivered, it is imperative to ensure that any automated communications continue to be relevant and correctly personalized. Avoid making presumptive errors. A prime example of this was a multi-brand retailer who decided to shift me from the "young and sassy" brand to the "middle aged, slightly more fusty" brand as I passed through a decade. I took offense to that. It's not ideal.

When it comes to real-time inventory management, how does Linnworks ensure accuracy and efficiency across multiple sales channels?

This is the essence of who we are and what we do.

Linnworks is predicated on a single source of truth: your inventory levels, regardless of where that inventory is held. When connected to multiple channels, we focus on syncing stock with every transaction to ensure each channel has an accurate view of what's available for sale. From an efficiency perspective, this includes the option to manage different stock levels for different channels, allowing for safety stock and for returned stock — it's highly configurable to suit the business needs.

Do you see any new technologies or features playing more prominent roles in the year ahead for retailers and the 3PLs they work with?

A big challenge in the industry is the constant flow of new, innovative tech, some of which is highly relevant but much of which is noisy and distracting. New technology needs to be considered in terms of the impact it will have on people and processes and how those elements will work in harmony to create value for the retailer.

3PLs have long sought the connectivity and order management elements we offer in our platform to gain advantage for their own customers beyond the supply chain element of their offering. Enabling 3PLs to get more commercial by providing channels and processing orders is a win-win for the industry as retail fluctuates between in-house and outsourced fulfillment.





Easily plug your **ecosystem** into:

- 100+ marketplaces
- 80+ shipping integrations
- 200+ complimentary apps

Manage your inventory and connect your commerce from a single platform.

Visit linnworks.com to learn more.



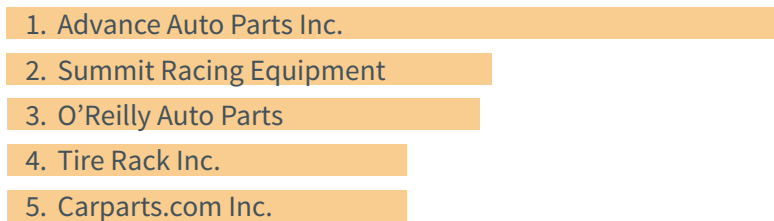
AUTOMOTIVE & ACCESSORIES

OVERVIEW

Sales growth for Automotive Parts & Accessories declined in 2024, the culmination of inflationary pressures on discretionary spending coming out of the pandemic. The sales decline appears to only have begun, as Digital Commerce 360 projects it to continue in 2025 (-0.8%) before dropping steeply in 2026 (-18.6%).

It's also one of just two categories — along with Jewelry — to have just one retailer that exceeded \$1 billion in 2024 web sales.

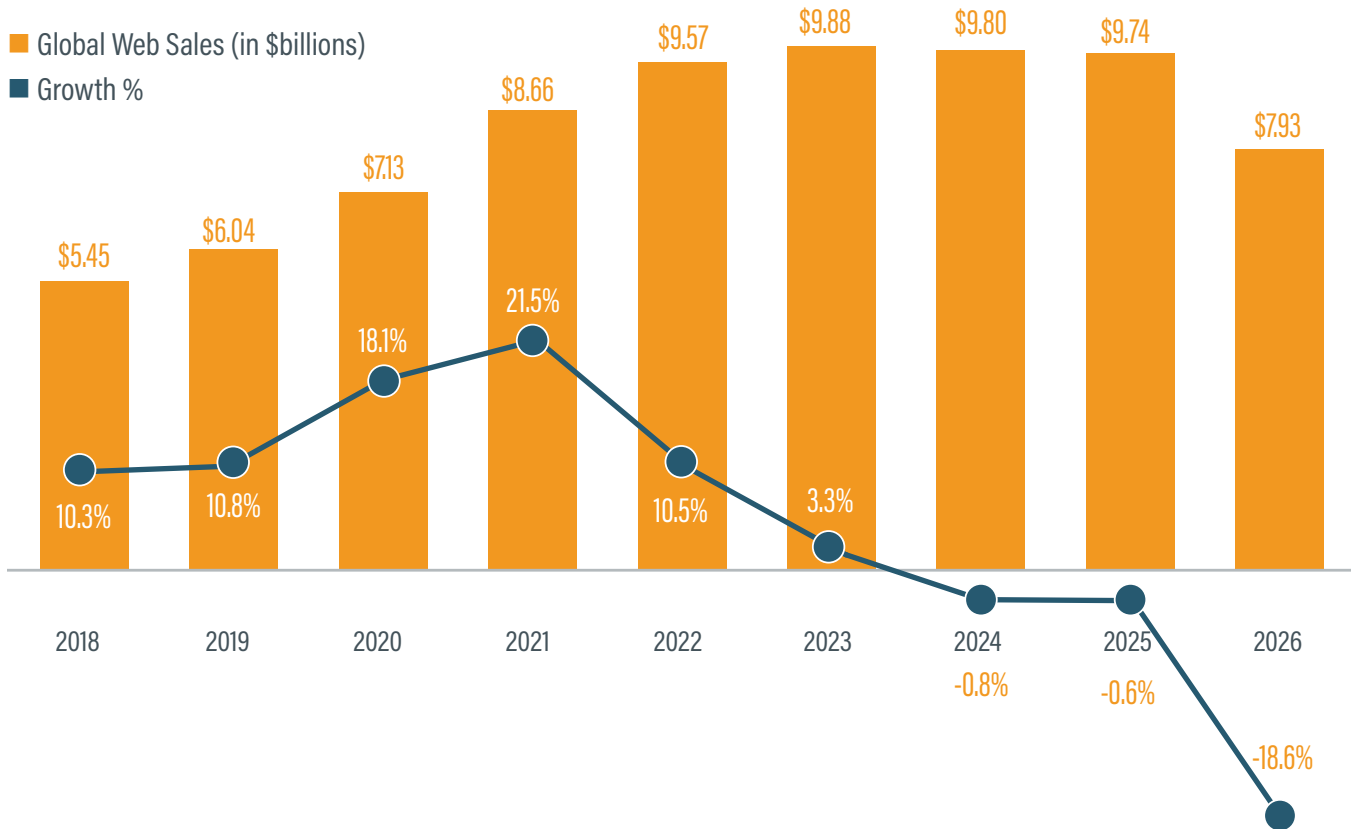
Top 5 retailers in the category by web sales



Of the top five, only Advance Auto Parts grew its 2024 ecommerce sales (5.1%). Nos. 2-4's web sales shrank by less than 1%, whereas CarParts.com Inc.'s fell 12.3%. Despite the downward online sales trend in the category, its top five all managed to produce five-year compound annual growth rates (CAGRs) of at least 8.4%, with O'Reilly Auto Parts leading the way at 18.9%.

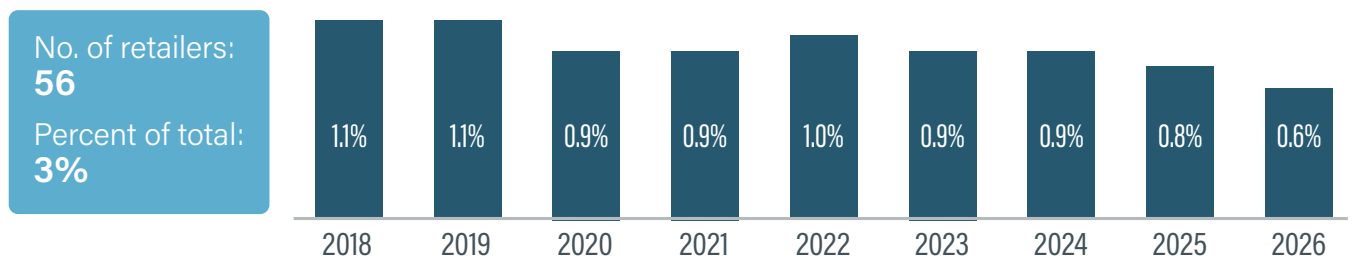
AUTOMOTIVE PARTS & ACCESSORIES WEB SALES AND GROWTH BY YEAR

Global web sales per year of the 56 U.S.-based retailers



Market size

Percent share of total U.S.-based ecommerce



No. of retailers:

56

Percent of total:

3%

Source: Digital Commerce 360

TRENDS

The online Automotive Parts & Accessories market in the U.S. showed consistency, if nothing else, in 2024.

Just two of the 56 U.S.-based Automotive Parts & Accessories retailers in the Top 2000 grew their ecommerce sales in 2024. However, almost all of the remaining retailers kept ecommerce sales close to flat, decreasing less than 1% year over year in 2024. Only CarParts.com Inc.'s sales declined more than that: 12.3%.

Online marketplaces Amazon and eBay have long worked their way into the automotive space. In time for the holidays in 2024, Amazon and Hyundai Motor Co. launched their collaboration to bring Hyundai vehicle sales online, enabling car buyers in 48 U.S. cities to browse, finance, and schedule the pickup of a new car directly on Amazon. With that will come parts and accessories sales on Amazon, no doubt.

Not long after, eBay acquired Caramel, an online platform meant to simplify vehicle transactions. Caramel's technology streamlines the vehicle sale process, including title transfers, financing, transportation, and other related tasks. The acquisition aims to improve the vehicle buying and selling experience on eBay Motors. And car parts have already consistently fueled eBay sales. It's one of five categories to drive more than \$10 billion in eBay sales, along with fashion, collectibles, home and garden, and electronics, the marketplace's CEO shared in its October 2024 quarterly earnings report.

STANDOUTS

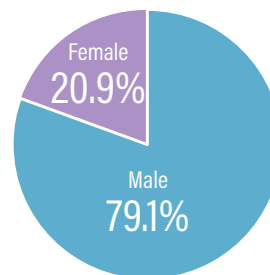
Advance Auto Parts Inc. and Harley-Davidson managed to grow their ecommerce sales in 2024 — 5.1% and 1.1%, respectively. Still, Harley-Davidson’s growth was minimal, and Digital Commerce 360 projects it to be flat at 0% in 2025. Meanwhile, Digital Commerce 360 research suggests Advance Auto Parts will grow sales 1.8% in 2025, which is the largest sales growth projection for the year among retailers in the category.

And of the 56 retailers in the category, 11 had conversion rates lower than 1% in 2024. Another 11 had conversion rates between 1% and 2%, indicating a need for the category to find ways to improve purchase intent.

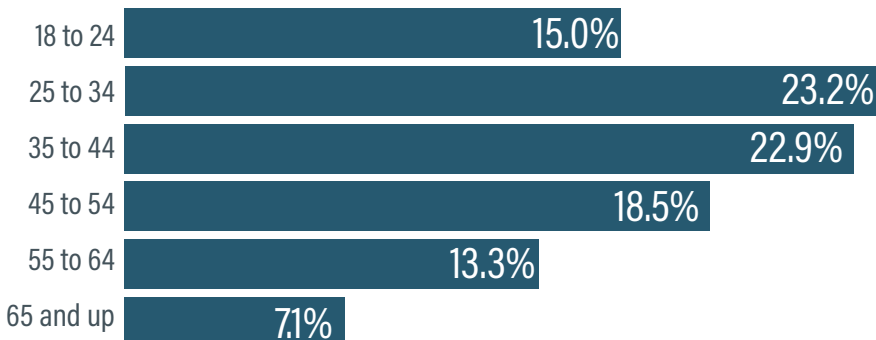
2024 SHARE OF TRAFFIC TO U.S.-BASED RETAILERS



SHARE OF WEB TRAFFIC BY GENDER



SHARE OF WEB TRAFFIC BY AGE



Source: Digital Commerce 360

CONSUMER ELECTRONICS

OVERVIEW

Consumer Electronics sales growth has begun reversing course in the past couple years, with back-to-back declines in 2024 and 2023, as consumers seem to stick with the hardware they upgraded in the peak of the COVID-19 pandemic.

The category brought in about \$74.61 billion in 2024 ecommerce sales, more than half of which came from its top two retailers alone.

By itself, Apple Inc. accounted for close to half (45.68%) of the category's ecommerce sales at \$34.08 billion. Combined with Best Buy, that jumps to 62.55% of those sales. They were the only two with more than \$10 billion each in 2024 online sales, with Dell at \$8.24 billion for the year.

HP and Newegg were among five retailers in the category to pull in between \$1 billion and \$2 billion in 2024 web sales. The top five retailers encompassed a strong majority of the category's sales (78.11%) despite lower year-over-year growth rates (or even declines).

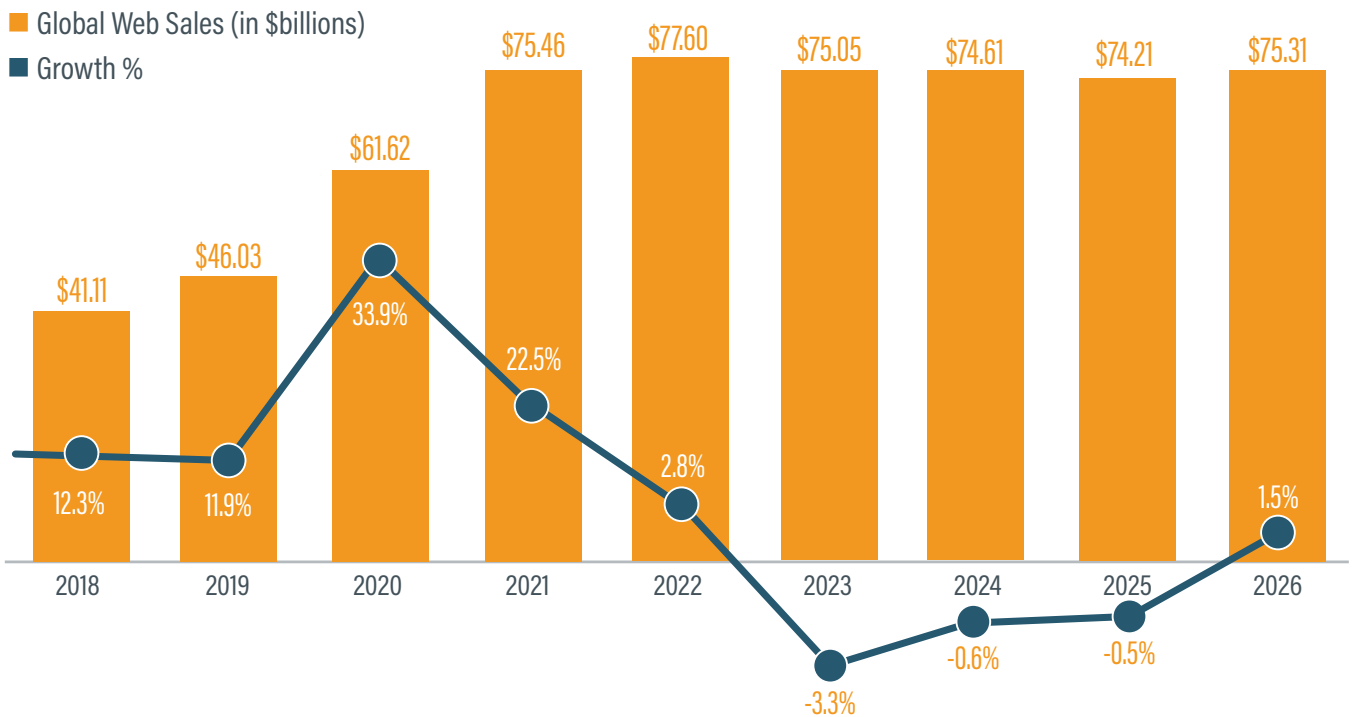
Top 5 retailers in the category by web sales

1. Apple Inc.
2. Best Buy Co. Inc.
3. Dell Technologies Inc.
4. HP Inc.
5. Newegg Commerce Inc.

In part thanks to consumers' pandemic-era tech upgrades, the top five each managed five-year compound annual growth rates (CAGRs) around 10% except for Newegg (-1.8%) and Dell (12.2%).

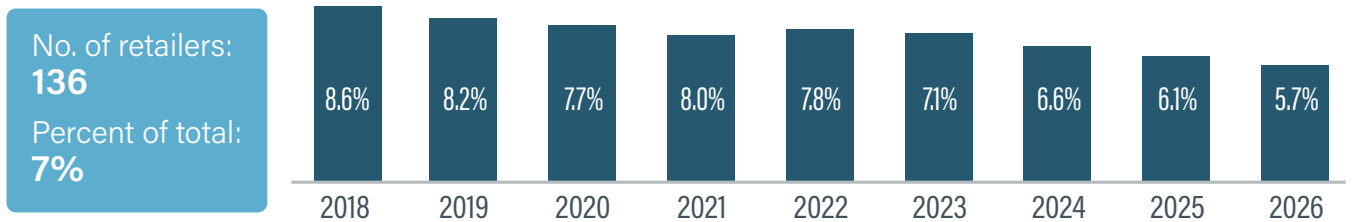
CONSUMER ELECTRONICS WEB SALES AND GROWTH BY YEAR

Global web sales per year of the 136 U.S.-based retailers



Market size

Percent share of total U.S.-based ecommerce



Source: Digital Commerce 360

TRENDS

The majority of the 136 U.S.-based retailers in the category saw sales decline between 1% and 2% year over year. Six grew sales, and five saw sales decline more than 3%.

Best Buy Co. Inc.'s web sales fell 3.9% from the year before. Conn's Inc., which filed for Chapter 11 bankruptcy in July, saw ecommerce sales drop 4.6%. Newegg created a free membership program in April, offering perks to participants, but its 2024 web sales fell 6.4% anyway. Still, no retailer in the category saw sales drop as much as GoPro Inc. (-36.2%, to about \$192.49 million).

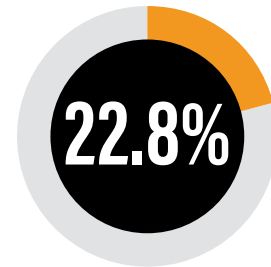
Digital Commerce 360 projects U.S.-based Consumer Electronics retailers' sales to continue declining slightly in 2025 (down 0.5%) before seeing light growth in 2026 (up 1.5%).

STANDOUTS

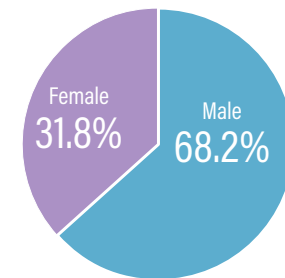
In 2024, the Consumer Electronics category had just six U.S.-based Top 2000 retailers that grew ecommerce sales. Part of that might have to do with nearly half of the category's retailers (48.5%) having sub-2% conversion rates for the year. When consumers did check out, though, seven of those retailers had average order values above \$1,000, with one — Projector People, ranked No. 1,495 — averaging more than \$2,000 per order with a 1.8% conversion rate.

Microsoft Corp. managed to grow its ecommerce sales 8.1% to about \$1.24 billion. Alphabet Inc., Google's parent company, increased its web sales 3.1% to about \$1.31 billion. The largest retailer in the category, Apple Inc., kept its online sales nearly flat, growing just 0.3% in 2024. Dell Technologies Inc. and HP Inc. grew sales at about equal rates (2.0% and 1.9%, respectively), though Dell's total ecommerce sales more than quadrupled HP's in 2024.

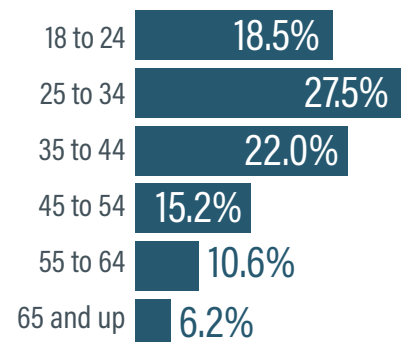
2024 SHARE OF TRAFFIC TO U.S.-BASED RETAILERS



SHARE OF WEB TRAFFIC BY GENDER



SHARE OF WEB TRAFFIC BY AGE



Source: Digital Commerce 360

THE BIG FOUR

Among the Top 2000, a set of North American retailers with the largest annual ecommerce sales, there are four U.S.-based merchants whose hands are in practically every part of the retail business. Specifically, they're the four largest Mass Merchants:

1. Amazon.com Inc. (No. 1 overall in the Top 2000)
2. Walmart (No. 2 overall)
3. Target (No. 5 overall)
4. Costco (No. 7 overall)

Even within the Big Four, there's a distinct hierarchy. There's Amazon, whose 2024 ecommerce sales were nearly triple (2.8 times) those of the next three combined. Then, there's Walmart, whose 2024 online sales were more than triple (3.28 times) those of Target and Costco combined.

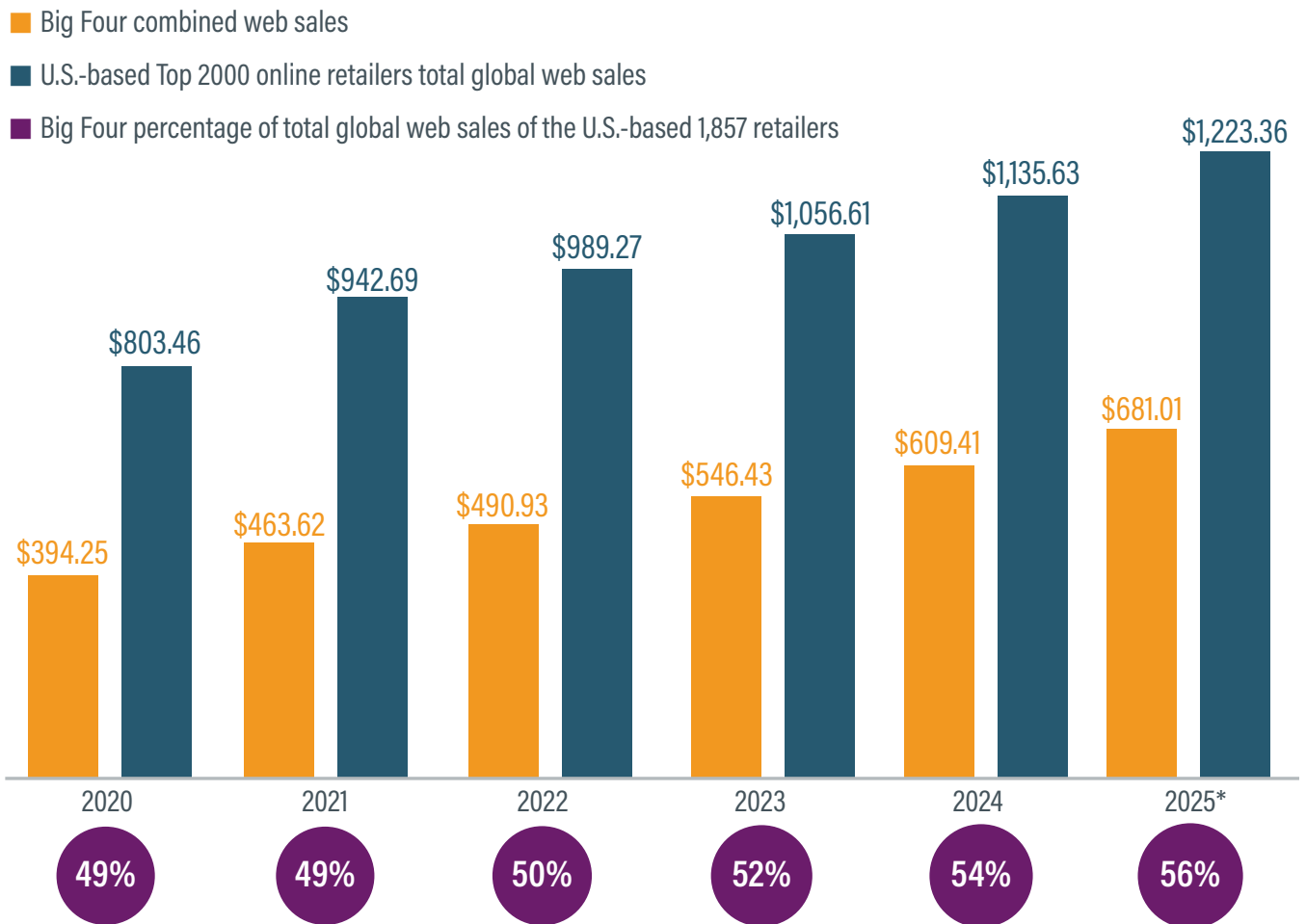
Excluding Mass Merchants, Amazon's 2024 ecommerce sales were close to the sum of all other categories' sales. Amazon's were \$448.64 billion. All categories minus Mass Merchants (which is mostly Amazon and Walmart anyway) totaled about \$503.80 billion.

That means Amazon and Walmart combined for more than half of all ecommerce sales among the top 1,857 U.S.-based online retailers Digital Commerce 360 tracks.



Despite Apple Inc. and The Home Depot ranking above Target, as well as The Kroger Co. ranking above Costco, Digital Commerce 360 refers to Target and Costco as part of the Big Four because they aren't category-specific retailers. Consumers shop from the Big Four for everything from food and groceries to electronics.

GLOBAL WEB SALES BY YEAR, IN \$BILLIONS



*Projection. Source: Digital Commerce 360

GROWTH AND MARKET DOMINANCE

The Big Four don't just sell a lot. They grow a lot, too. Amazon's five-year compound annual growth rate (CAGR) is 15.9%, and that's the slowest of the four. Walmart and Target's CAGRs were 25.4% and 25.1%, respectively, and Costco's was 23.0%.

As a result, their combined ecommerce sales grew from \$394.25 billion in 2020 to \$609.41 billion in 2024. As a whole, U.S.-based online retailers in the Top 2000's sales — including the Big Four — were \$803.46 billion in 2020, growing to \$1.135 trillion in 2024.

The Big Four didn't just increase their growth rate and total ecommerce sales in that time frame. They also have eaten up a larger portion of sales from U.S.-based Top 2000 retailers. In 2020, the Big Four accounted for 49% of that cohort's total ecommerce sales. It has maintained that percentage or grown it every year since taking a 54% share in 2024.

In both 2024 and 2023, Amazon's sales alone were greater than the sum of the next 51 retailers in the Top 2000. In 2022, its sales were greater than the sum of the next 42 retailers in the Top 2000.

To give a sense of scale, Walmart's 2024 ecommerce sales were greater than the sum of the next five retailers in the Top 2000. In 2023, they were greater than the sum of the next four, and in 2022, its web sales were greater than those of the next three.

As far as consumer trends go, Amazon's conversion rate was more than double Walmart's at 14.7% and 7.0% in 2024, according to Digital Commerce 360 data. Target's, however, was the lowest at 3.9%, and Costco's was 4.3%.

For average order value, there was an inverse relationship between the Big Four member's ranking and which had the highest AOV, Digital Commerce 360 research shows. Amazon's was the lowest at \$63. Walmart's was \$91 and Target's \$156. As the lowest-ranking of the Big Four, one of Costco's key strengths in 2024 was in its \$309 AOV.

CONCLUSION

While economic growth and online retail still face a shaky, uncertain timeline to return to growth at pre-pandemic levels, 2025 will undoubtedly benefit from momentum in key sectors. Double-digit year-over-year increases in ecommerce sales for Health & Beauty, Mass Merchant and Food & Beverage retailers show where web sales are strongest.

In the meantime, the eight retailers projected by Digital Commerce 360 to grow online sales by more than a billion dollars each in 2025 stand positioned to become even more dominant atop their respective categories. They remain strong and competitive even as some categories, such as Jewelry, Specialty and Toys & Hobbies, highlight cases where specialized merchants are still finding traction within their niches.

Ultimately, it remains clear that online retail's growth story in the 2020s will look nothing like what it saw in the 2010s. The world has changed, and merchants continue to adapt as market trends and technology shifts introduce new dynamics on a regular basis. At the same time, consumers gravitate toward online channels for commerce needs more than ever. As that migration of activity continues, ecommerce will benefit, and as macroeconomic factors improve, trajectories should improve further.

As that happens, this report reflects the success stories among 1,857 U.S.-based online retailers in Digital Commerce 360's rankings that we will continue to follow as developments in 2025 play out.

This Special Research Edition: The Future of American Ecommerce includes key featured articles published directly from the full 2025 The State of American Ecommerce.

[Learn more about the full report](#)



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Over the last two decades, Digital Commerce 360 Research has become a global leader in ecommerce research and data, helping a wide range of businesses better understand the industry. Each year, our experienced researchers collect hundreds of metrics on thousands of retail and B2B ecommerce companies around the world and offer access to the raw data including online sales, web traffic, conversion rates, AOV and key technology partners. Most notably is our Top 1000 Database, a ranking of the leading North American online retailers by web sales. We also publish our analysis of the data in numerous annual reports on timely ecommerce topics like marketplaces, omnichannel, apparel, platforms, web design and many more. In addition, our robust custom research department is skilled at creating personalized projects—including in-depth reports, exclusive surveys, raw data pulls and more—to support top retailers, consultants, financial analysts and technology providers in meeting their goals.

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