



EMERGING TECH RESEARCH

E-Commerce Report

VC trends and emerging opportunities



Q2
2023

REPORT PREVIEW

The full report is available through the PitchBook Platform.



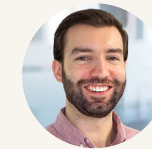
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We are adding PitchBook Exit Predictor probabilities to our Emerging Technology Research reports. PitchBook's proprietary [VC Exit Predictor](#) estimates the probability that a startup, or VC-backed company, will successfully IPO, be acquired, or merge. The tool is available exclusively to PitchBook subscribers.

Institutional Research Group

Analysis



Eric Bellomo Analyst, Emerging Technology
eric.bellomo@pitchbook.com
pbinstitutionalresearch@pitchbook.com

Data

TJ Mei Data Analyst

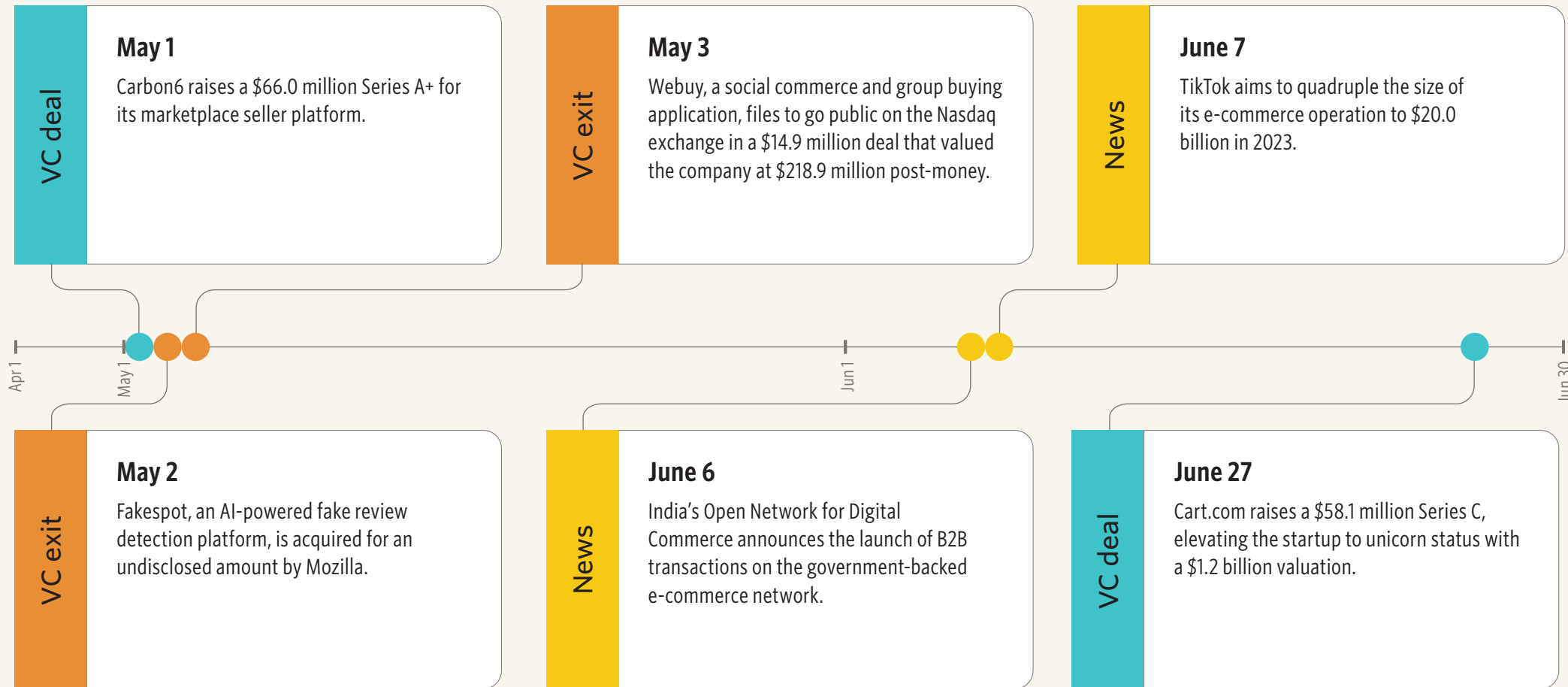
Publishing

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Q2 2023 timeline



Q2 VC deal count summary

93
total deals

9.4%
QoQ growth

-59.7%
YoY growth

-63.7%
YTD growth

Q2 VC deal value summary

\$1.9B
total deal value

-41.0%
QoQ growth

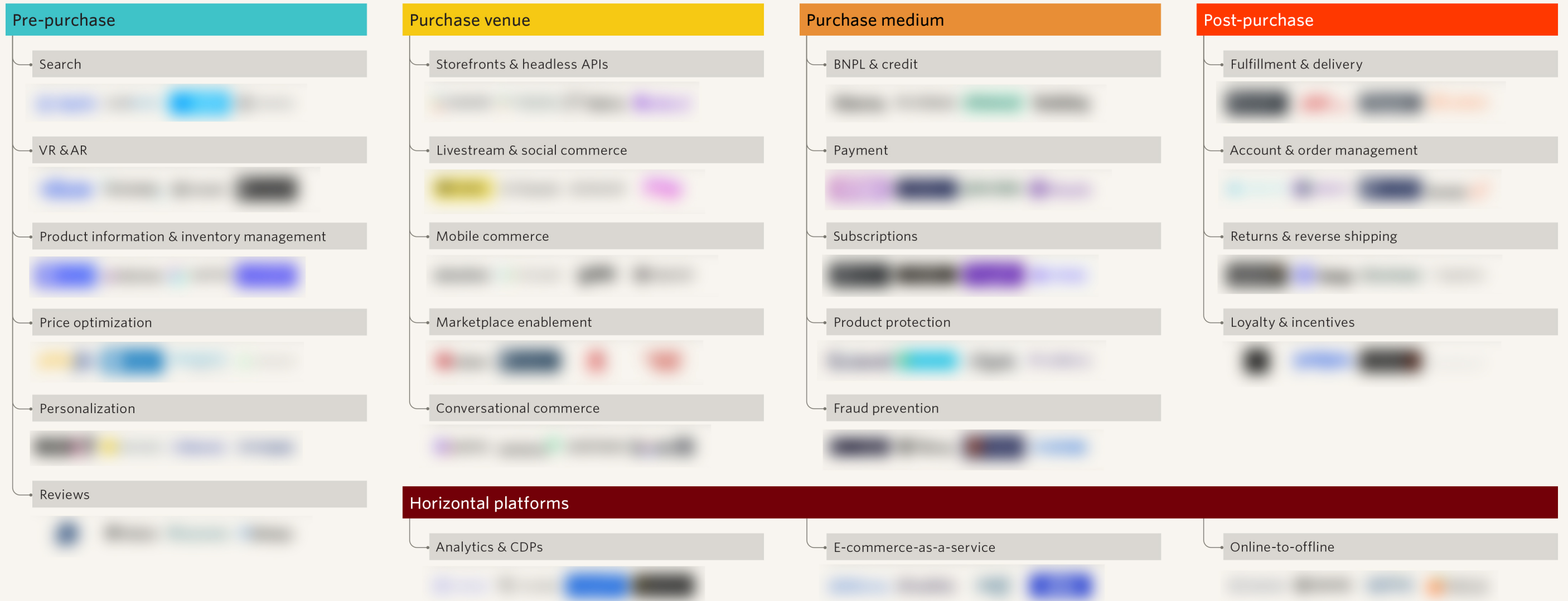
-75.8%
YoY growth

-74.6%
YTD growth



E-commerce VC ecosystem market map

Market map is a representative overview of venture-backed or growth-stage providers in each segment. Companies listed have received venture capital or other notable private investments.





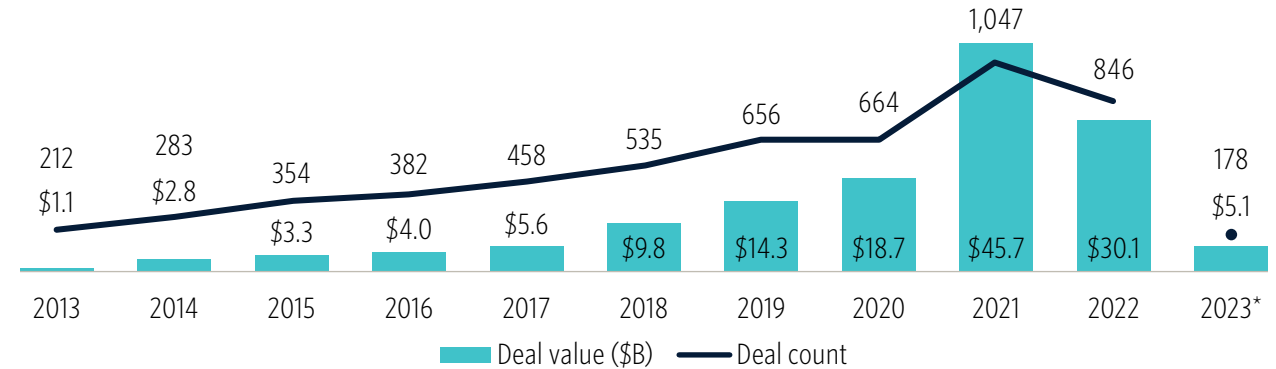
VC activity

The e-commerce enablement startup ecosystem experienced a 41.0% decrease in deal value, totaling \$1.9 billion, but a slight increase in deal count of 9.4% across 93 deals. Both figures represented YoY decreases of 75.8% and 59.7%, respectively.

Despite the deceleration, several notable deals occurred. Builder, an AI-powered application development platform, raised \$250.0 million in its Series D reflecting investor interest in AI-enabled services. J&T Express, a Malaysian supply chain platform, raised \$200.0 million, which underscores our optimism that emerging economies will provide a long-term tailwind to the ecosystem. LeafLink, a B2B cannabis platform, and Pinecone, a vector database company, both raised \$100.0 million. Additionally, Super.com, a cashback rewards and discount service, raised an \$85.0 million Series C, and Servify, a product care and trade-in program, closed a \$70.7 million Series D. The post-purchase segment narrowly led all categories in funding (\$481.3 million), followed closely by Horizontal Platforms (\$462.7 million) and Purchase Venue (\$442.1 million) startups. The subsegment leaders for each cohort included fulfillment & delivery (\$342.3 million), e-commerce-as-a-service (\$351.5 million), and storefronts & headless APIs (\$261.9 million), respectively.

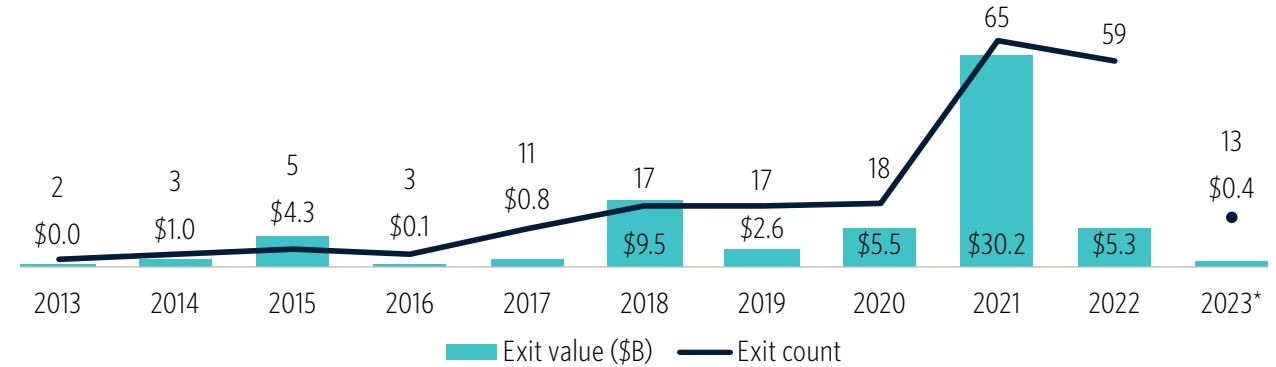
Late-stage deals accounted for the largest portion of VC investment in Q2, totaling \$900.0 million. In recent years, capital has trended toward late-stage startups and H1 of 2023 continues this trend. In 2020 and 2021, 57.8% and 57.6%, respectively, of investment went to early and angel and seed deals. This slid to 55.6% in 2022 and 45.5% in H1 2023, indicating investors may be seeking the security of more mature startups as merchants begin to scrutinize their software spend and vendors focus on profitability and business fundamentals. Geographically, startups in Asia raised more than double the next closest region, North America—\$2.8 billion compared to \$1.3 billion—in 2023.

E-commerce VC deal activity



Source: PitchBook • Geography: Global • *As of June 30, 2023

E-commerce VC exit activity



Source: PitchBook • Geography: Global • *As of June 30, 2023



VC ACTIVITY

Key Q2 e-commerce early-stage VC deals

Company	Close date (2023)	Subsegment	Stage	Deal value (\$M)	Lead investor(s)	Valuation step-up
Carbon6	May 1	Marketplace enablement	Series AA	\$66.0	White Star Capital	0.6x
Volt Technologies	June 21	Payment	Series B	\$60.0	IVP	N/A
Payrails	June 7	Payment	Seed	\$20.7	Andreessen Horowitz, EQT Ventures	N/A
Stay AI	June 16	Subscriptions	Series A	\$20.4	Telescope Partners, Watchfire Ventures	N/A
Checkmate	May 25	Loyalty & incentives	Series A	\$20.0	GV	N/A
Vartana	April 13	BNPL & credit	Series B	\$20.0	Activant Capital	1.5x
Pepper	May 19	E-commerce-as-a-service	Series A	\$20.0	N/A	1.6x
Logik.io	May 23	E-commerce-as-a-service	Series A	\$15.7	Emergence Capital Partners	1.7x
Nue.io	May 23	Price optimization	Seed	\$15.0	Bluefish Ventures, Penny Jar Capital, Venture Partners	N/A
Nivoda	May 18	Online-to-offline	Series A	\$14.8	Headline	4.4x

Source: PitchBook • Geography: Global • *As of June 30, 2023



VC ACTIVITY

Key Q2 e-commerce late-stage VC deals

Company	Close date (2023)	Subsegment	Stage	Deal value (\$M)	Lead investor(s)	Valuation step-up
Builder	May 23	Storefronts & headless APIs	Series D	\$250.0	Qatar Investment Authority	N/A
J&T Express	May 12	Fulfillment & delivery	Series D	\$200.0	N/A	N/A
LeafLink	May 5	E-commerce-as-a-service	Series D	\$100.0	CPMG, L2 Ventures, Nosara Capital	N/A
TerraPay	April 4	Payment	Series B	\$100.0	International Finance Corporation	N/A
Pinecone	April 27	Search	Series B	\$100.0	Andreessen Horowitz	3.9x
Super.com	April 6	Mobile commerce	Series C	\$85.0	Inovia Capital	N/A
Servify	April 26	Account & order management	Series D	\$70.7	N/A	N/A
Cart.com	June 27	E-commerce-as-a-service	Series C	\$58.1	N/A	1.4x
Odeko	April 18	E-commerce-as-a-service	Series D	\$53.6	B Capital Group	1.2x
Everstream Analytics	April 4	Fulfillment & delivery	Series B	\$50.0	Morgan Stanley Investment Management, StepStone Group	N/A

Source: PitchBook • Geography: Global • *As of June 30, 2023



SELECT COMPANY HIGHLIGHTS: CHANNELENGINE



Founded
2018

Total raised
\$57.4M

Last financing
Raised \$50.0M

HQ location
Leiden, Netherlands

Overview

ChannelEngine helps online merchants integrate with and sell through more than 200 marketplaces globally. Marketplaces are a key venue for merchants with an omnichannel strategy, but managing the nuances of multiple marketplaces presents considerable operational complexity for businesses. ChannelEngine streamlines this management and lets merchants calibrate their

inventory, pricing, content, and more. Moving forward, ChannelEngine is positioned to expand beyond traditional marketplaces such as Amazon or Ebay and toward other purchase venues such as social commerce platforms, including Instagram and TikTok.

Leadership

ChannelEngine was co-founded by CEO Jorrit Steinz, who has founded multiple companies. Previous startups include SB Commerce BV, Nationale Geschenkbbon, vtwonen.nl, and Tritac. Both SB Commerce BV and Nationale Geschenkbbon exited via M&A.

Financing history

ChannelEngine's most recent fundraising was a \$50.0 million Series B in March 2022. The deal was led by Atomico and General Catalyst with participation from Airbridge Equity Partners, Inkef Capital, and other investors. The funds were used to expand the startup's e-commerce and marketplace management toolset. ChannelEngine previously raised a \$6.1 million Series A in 2021 and a \$1.3 million seed round.

About PitchBook Industry and Technology Research

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Our Industry and Technology Research provides detailed analysis of nascent tech sectors so you can better navigate the changing markets you operate in—and pursue new opportunities with confidence.

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PitchBook Data, Inc.

John Gabbert Founder, CEO

Nizar Tarhuni Vice President, Institutional Research and Editorial

Paul Condra Head of Emerging Technology Research

Additional research

Eric Bellomo
eric.bellomo@pitchbook.com
Gaming
E-Commerce

Brendan Burke
brendan.burke@pitchbook.com
Internet of Things
Information Security
Artificial Intelligence & Machine Learning

Aaron DeGagne
aaron.degagne@pitchbook.com
Medtech
Digital Health

Alex Frederick
alex.frederick@pitchbook.com
Agtech
Foodtech

Jonathan Geurkink
jonathan.geurkink@pitchbook.com
Supply Chain Tech
Mobility Tech

Kazi Helal
kazi.helal@pitchbook.com
Biopharma
Pharmatech

Derek Hernandez
derek.hernandez@pitchbook.com
Enterprise SaaS

Ali Javaheri
ali.javaheri@pitchbook.com
Emerging Spaces

Robert Le
robert.le@pitchbook.com
Insurtech
Crypto

John MacDonagh
john.macdonagh@pitchbook.com
Carbon & Emissions Tech
Clean Energy Tech

Rebecca Springer
rebecca.springer@pitchbook.com
Healthcare Services
Healthcare IT

Rudy Yang
rudy.yang@pitchbook.com
Enterprise Fintech
Retail Fintech