# Five key venture capital trends shaping ecommerce investment in 2025



The venture capital (VC) landscape, having undergone significant transformation since the onset of the COVID-19 pandemic in 2020, is displaying noteworthy trends heading into 2025. After years marked by economic uncertainty, inflationary pressures, and an IPO market reminiscent of the 2008 financial crisis, signs of renewed optimism are shaping new investment behaviours, particularly in the ecommerce sector.

Michael Duda, cofounder and managing partner at Bullish—a venture capital firm known for backing companies such as Warby Parker, Peloton, and Harry’s—outlined five key trends that are influencing venture capital activity and shaping opportunities for startups in the coming year.

Firstly, while the total global venture capital investment increased by 5.4% to reach $368.5 billion in 2024, the volume of deals declined by 17% compared to 2023, signalling a concentration of funds into fewer companies. “It’s the haves and have-nots,” Duda remarked, noting that the largest funds are amassing more capital and favouring late-stage startups with proven track records. Nonetheless, he emphasised that early-stage companies remain viable, with increased capital flowing into the market overall.

Secondly, there is a surge in the emergence of new VC funds led by investors branching out from large firms to establish their own. This development, intensifying since around 2020, could open up fresh avenues for smaller startups to secure funding. In addition, investment appetite from private wealth—particularly from banks and family offices—is on the rise. Duda observed that wealthy individuals are increasingly willing to inject smaller amounts into early-stage companies, sometimes even preceding institutional VC involvement, which marks a shift from previous norms.

Artificial intelligence (AI) continues to be a dominant factor in venture capital investment trends. The EY report cited by Duda highlights that in the final quarter of 2024, AI-related deals surged fivefold year-over-year and accounted for over 60% of all VC fundraising in that quarter. While he suggests the industry could be approaching “peak AI investment,” the technology’s influence is expected to remain pivotal. For ecommerce businesses, the implication is clear: integrating AI and automation into operations is increasingly crucial. Duda advised entrepreneurs to articulate how AI contributes to their success, even if they are not AI startups per se.

Another notable shift is the heightened focus on capital efficiency among investors. Unlike previous years where rapid growth or profitability were the primary metrics, in 2025 VCs are prioritising how effectively companies generate revenue relative to their expenditure. “Show me that you know how to put the money to work,” Duda explained. This emphasis stems both from lessons learned during the rapid, sometimes unsustainable scaling seen in 2021 and 2022, and from dealing with unpredictable political factors such as trade policy changes disrupting supply chains.

Finally, the growth of the creator economy and social selling is shaping how startups approach the market and attract venture investment. With Generation Z emerging as a key consumer demographic, venture capitalists want to see that entrepreneurs understand the dynamics of social influence. According to Pew Research referenced by Duda, 54% of social media users aged 18 to 29 acknowledge that influencers impact their purchasing decisions. He highlighted the value of authentic partnerships between startups and content creators, who can leverage trust and storytelling to build brand connections.

Duda summarised by noting the enduring importance of understanding one’s audience and having a clear marketing strategy that resonates: “VCs will always favor a clear marketing strategy that meets customers where they are, while remaining true to your brand—in 2025 and beyond.”

These insights underscore the evolving conditions of the venture capital ecosystem as it adapts to new economic realities and technological advancements, providing ecommerce companies with fresh opportunities and considerations in their pursuit of investment.

Source: [Noah Wire Services](https://www.noahwire.com)

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