



SUPPLY CHAIN LEADERS WEIGH IN

# How DTC Sales Are Reshaping Operations



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In the wake of market disruptions, direct-to-consumer (DTC) sales are becoming a mainstream strategy for strengthening customer relationships and driving growth.

To track the evolution of DTC, Deposco conducts an annual survey to gather insights from retail and DTC supply chain executives. Each year brings a fresh perspective, and 2025 — the third report in this series — is no exception.

In this year's survey, three major takeaways emerged:

1. DTC sales have shifted from early-stage expansion to predictable growth
2. Technology is becoming a necessity to enable DTC operations
3. Talent development is a major focus for DTC teams

Let's explore them in more depth.





**86%**

of surveyed  
manufacturers and  
retailers now derive up  
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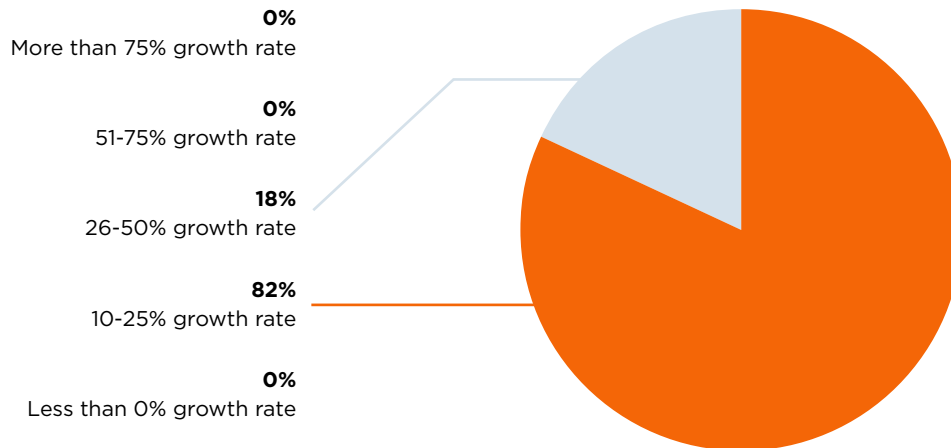
## 1. D2C Sales Volumes Hold Steady, as Stable Growth is Expected

Companies continue to see steady increases in DTC sales volumes, signaling the trend toward widespread acceptance of this channel as a core business strategy. Most of the manufacturers and retailers we surveyed (86%) now **derive up to 50% of revenue from DTC channels**, with growth holding steady.

As evidenced by our survey findings, DTC revenue has continued to rise. Nearly three-quarters of surveyed leaders report a moderate or significant increase in DTC sales over the past 12 months, with a **projected growth rate of between 10% and 25%** for the next 12 months. This is a steady and continuing trend from 2024, when YoY sales growth was around 16%.



## 12-Month Projected Growth Rate for DTC



This sustained momentum signals a **shift from early-stage expansion to sustainable, stable growth**. This is a positive finding, as steady growth allows for more accurate forecasting, makes it easier to manage inventory and allocate resources, and allows companies to shift their focus toward refining and optimizing operational processes long-term.

“We’re seeing a fundamental maturation of the DTC channel,” says Josh Lett, senior vice president of professional services at Deposco. “The unprecedented growth rates of the past few years have given way to something more sustainable and predictable. This stabilization is a positive development — it allows companies to shift from pure growth mode to investing in optimizing their operations for long-term profitability and customer satisfaction.”

**10-25%**

steady growth  
projected in 2025



## 2. Tech is Being Championed as the Answer to Complex DTC Issues

As DTC brands shift toward long-term stability and success with DTC, they are prioritizing profitability and logistics optimization alongside customer acquisition and marketing. Respondents say this transition often requires technology and automation.

So far, technology investments made by leaders to support DTC initiatives have generated positive returns:

- 26% report that **increasing automation** to close **labor gaps** has been the most effective way to address fulfillment-workforce challenges.
- 46% say **automation** has been one of the most cost-effective strategies to **manage overall warehouse operations**.

“The shift we’re witnessing is remarkable:

Supply chain technology began as a competitive advantage and is now an operational lifeline for DTC success,” Lett explains.

“Companies that invested early in automation and inventory management systems are now seeing measurable returns, while those that delayed are scrambling to catch up. It’s no longer a question of whether to invest in technology, but rather which **supply chain software** will deliver long-term flexibility and sustainable impact as the evolution presses on.”

Manufacturers and retailers also rely on technology to develop more sophisticated DTC strategies and manage economic pressures. Building on initial cost-cutting initiatives, they’re pursuing strategic investments in supply chain technology and optimization.

These technologies are helping companies manage several complexities:



**26%**

report that increasing automation to close labor gaps has been the most effective way to address fulfillment-workforce challenges

**46%**

say automation has been one of the most cost-effective strategies to manage overall warehouse operations



**28%**

of respondents have opted to prioritize supply chain technology to improve resilience and adaptability in the face of ongoing disruption

### The Impact of Global Trade Tension

Currently, leaders' top approach to minimize the effects of international trade disputes and tariff impacts is to build up inventory buffers, which means inventory management will become more complex (and require technology to manage it). They're also opting to engage with 3PL partners to mitigate disruption risk, which could require technology to enable real-time coordination and visibility.

More than one-quarter of respondents (28%) have opted to prioritize **supply chain technology** to improve resilience and adaptability in the face of ongoing disruption. This will allow them to better track shipments, adapt to changing trade regulations, and optimize sourcing strategies.

## Rising DTC Costs

As tariffs, material prices, and consumer price sensitivity impact DTC costs, manufacturing and retail leaders are looking for ways to control and offset rising prices.

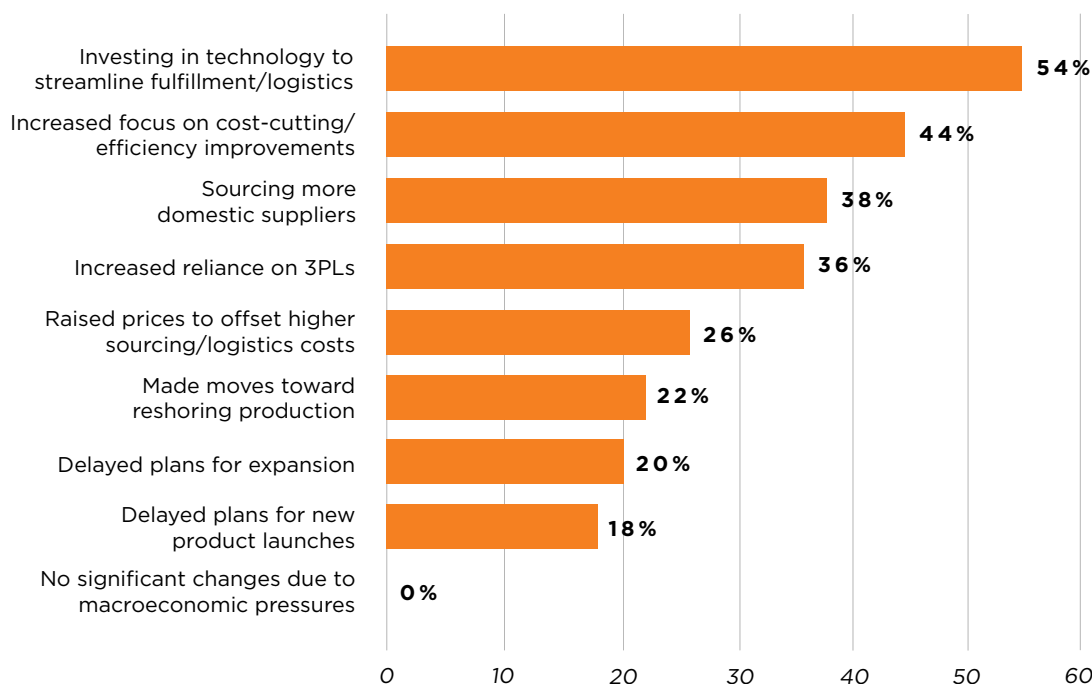
Besides increasing sales, prioritizing **technology investments is their preferred approach** to combat the ongoing issue of DTC cost management. The right tools can help automate processes, offer up real-time data for smarter decision-making, and optimize inventory and logistics to protect margins.

## Macroeconomic Pressures

More than half of surveyed leaders (54%) are relying on **technology investments to streamline fulfillment** and logistics in an effort to reduce costs and maintain operational efficiency amid ongoing volatility.

### QUESTION:

### How have macroeconomic pressures changed your DTC priorities over the past year?





## Global Supply Chain Disruptions

When asked how their company's inventory strategy has evolved in response to global supply chain disruptions, such as geopolitical instability, natural disasters and labor disruptions, leaders yet again indicated that technology was the preferred approach.

More than half (52%) invest in **automation and AI** to support real-time visibility, predictive analytics, and agile decision-making so they can monitor, track and respond to issues as they arise.

## DTC Fulfillment Operations

When it comes to which strategic changes are being prioritized to future-proof DTC fulfillment operations, leaders name technology as the hero once more.

More than half of manufacturing and retail leaders (56%) plan to invest in **advanced inventory management systems** to streamline operations, whether that improvement happens through optimized stock levels, reduced waste or assurance that products are available when and where customers need them.



**52%**

say they'll invest  
in automation  
and AI

**56%**

plan to invest in  
advanced inventory  
management systems



## AI and Predictive Analytics Power the Next Stage of Digital Transformation

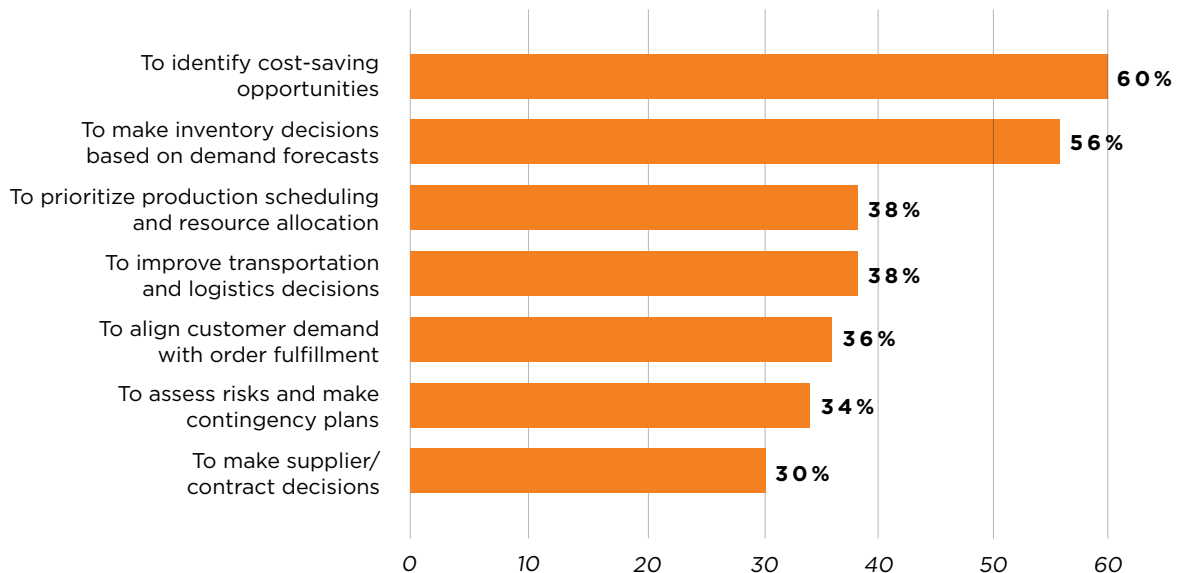
The leaders in our survey are not merely adopting technology, but also taking digital transformation to the next level. Over the past few years, their responses indicate a clear progression from basic system implementation to advanced AI and predictive analytics adoption, with specific use cases emerging.

### Using AI for Supply Chain Decision-Making

Manufacturers and retailers are primarily relying on AI to pinpoint cost-savings opportunities and make inventory decisions based on demand forecasts, both vital for managing complex supply chains. [AI supply chain](#) technology can help reduce costs by optimizing operations and cutting inefficiencies. It can drive inventory management by analyzing real-time data to adjust stock levels, anticipate shifts in demand, and minimize overstock and stockouts.

#### QUESTION:

#### In what situations is your company implementing AI for supply chain decision-making?



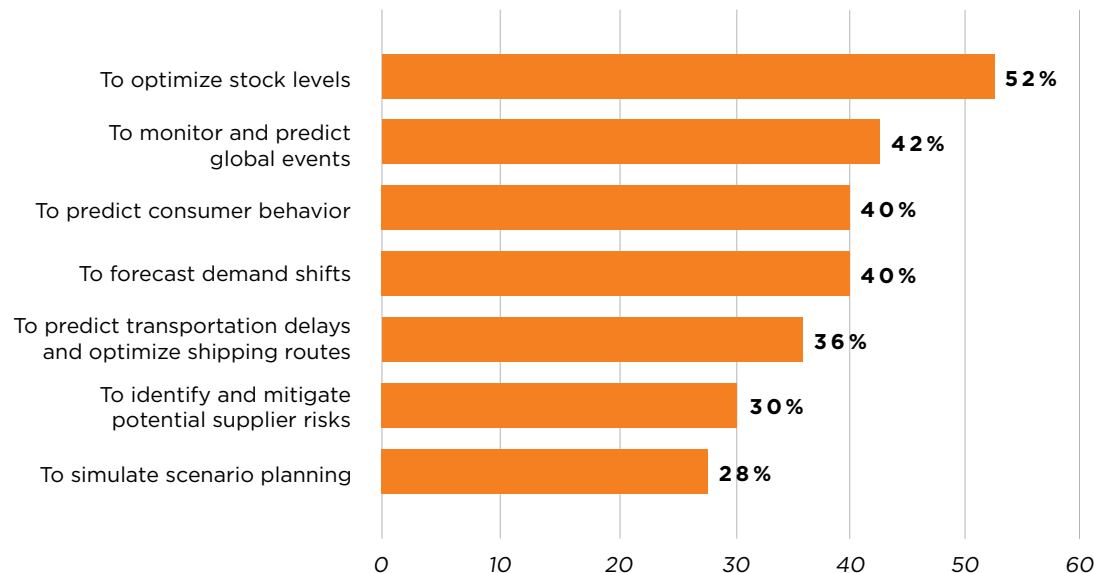
“AI adoption in supply chain decision-making has reached a tipping point,” Lett says. “We’re seeing companies move beyond basic automation to predictive capabilities that can anticipate disruptions, optimize inventory levels, and identify cost savings before problems emerge. The 60% of companies using AI for cost-saving opportunities tells us that AI is now essential for survival in today’s margin-compressed environment. DTC brands not on board yet are essentially operating blind in an increasingly complex marketplace.”

**Using Predictive Analytics to Anticipate and Respond to Potential Disruptions**

Surveyed leaders also frequently rely on predictive analytics to detect and mitigate risk. More than half say this information helps them optimize stock by aligning inventory with anticipated demand. More than four in 10 use the data to monitor and predict global events that can disrupt supply chains.

**QUESTION:**

**How is your company using predictive analytics to anticipate and respond to potential disruptions?**



### 3. Talent Development Takes Priority in the DTC Workforce

Not surprisingly, manufacturing and retail leaders identify talent as an ongoing challenge. But their strategies and focus have shifted. Companies are now emphasizing the development of existing workers instead of simply hiring new technical staff.

For instance, in 2024, 46% of respondents said they needed to bring on more technically trained staff to fulfill DTC orders. One year later, however, the focus is on cross-training (34%) and helping existing workers build new skills (32%) for DTC fulfillment.

Technology can often support these workforce initiatives, as 26% of respondents already rely on automation to close labor gaps. The vast majority of leaders are full steam ahead on automation and AI in the next year, with 98% planning to invest in fulfillment technology to drive DTC sales.

By far, their biggest investment will be in inventory management software for **real-time tracking** (60%), followed by **AI-powered order optimization solutions** (44%). In the next three to five years, many of these leaders also say that unified platforms will become critical to operations, with nearly half looking to prioritize advanced **Order Management System** (OMS) and **Warehouse Management System** (WMS) platforms.



**26%**

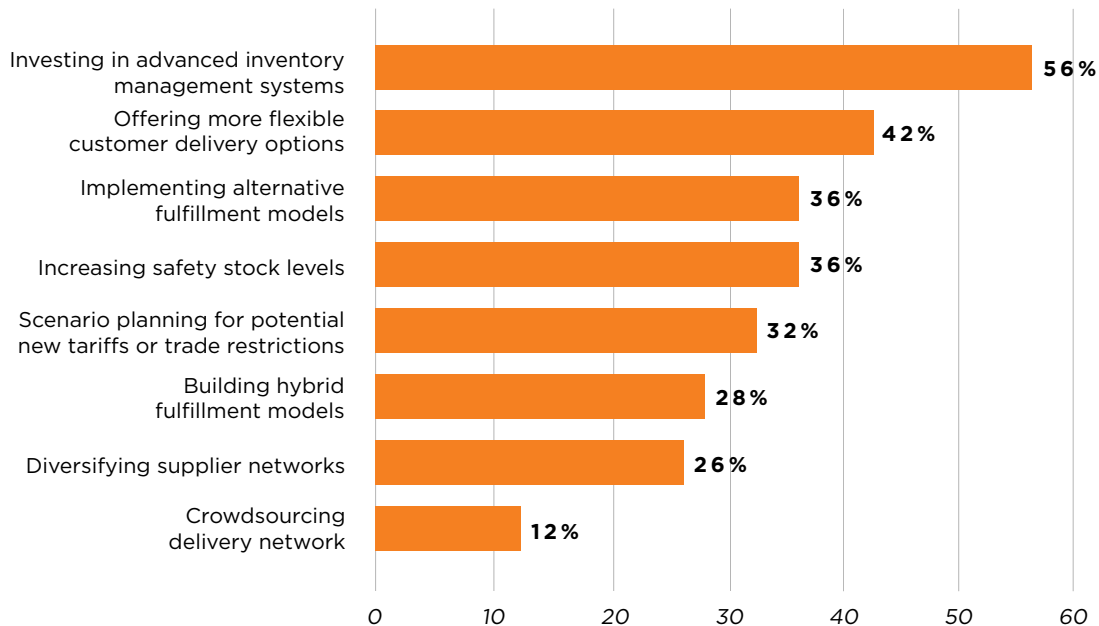
have increased automation to close labor gaps

**98%**

are planning to invest in fulfillment tech to drive DTC sales

**QUESTION:**

**What strategic changes is your company prioritizing to future-proof its DTC fulfillment operations?**



But it's critical to understand that implementing new technology can also create new challenges when timing, architecture and your platform partner aren't carefully vetted and aligned with a clear strategy. Today, as companies deploy new technology, they struggle most often with:

- High platform maintenance costs (**44%**)
- Data security (**34%**)
- Technical issues (**32%**)





# Strategic Tech Decisions Win

These issues could indicate that most companies aren't using the right platforms and still rely on legacy systems, which can pose great challenges with maintenance, security, integration of new capabilities, scalability and performance.

If these are sticking points for your team, there are ways to avoid these problems. You can prioritize **end-to-end WMS+OMS** software with flexible architecture to adapt and scale without the need to frequently switch platforms.

“The challenges we’re seeing with high maintenance costs and technical issues often stem from companies rushing into technology investments without proper due diligence in their partner,” says Lett. “The key is selecting a proven, scalable architecture and clear technology roadmap that can grow with your business and integrate seamlessly with your existing operations versus having the latest shiny object. Companies that take this strategic approach consistently see better ROI and fewer operational headaches.”

A partner that offers adaptive architecture, strong customer support and a clearly defined, tailored technology roadmap helps you reduce friction at every stage of your digital transformation journey. For 3PLs, the benefit is even greater: The expertise of your partner can be your differentiator, turning your business into a technical compass helping your customers navigate rapid change.

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**Josh Lett**

Senior Vice President of Professional Services  
Deposco





## Conclusion

As DTC continues to mature into a core business strategy, the landscape is evolving in three key ways: growth is stabilizing, technology is now essential for operational success, and talent development is front and center.

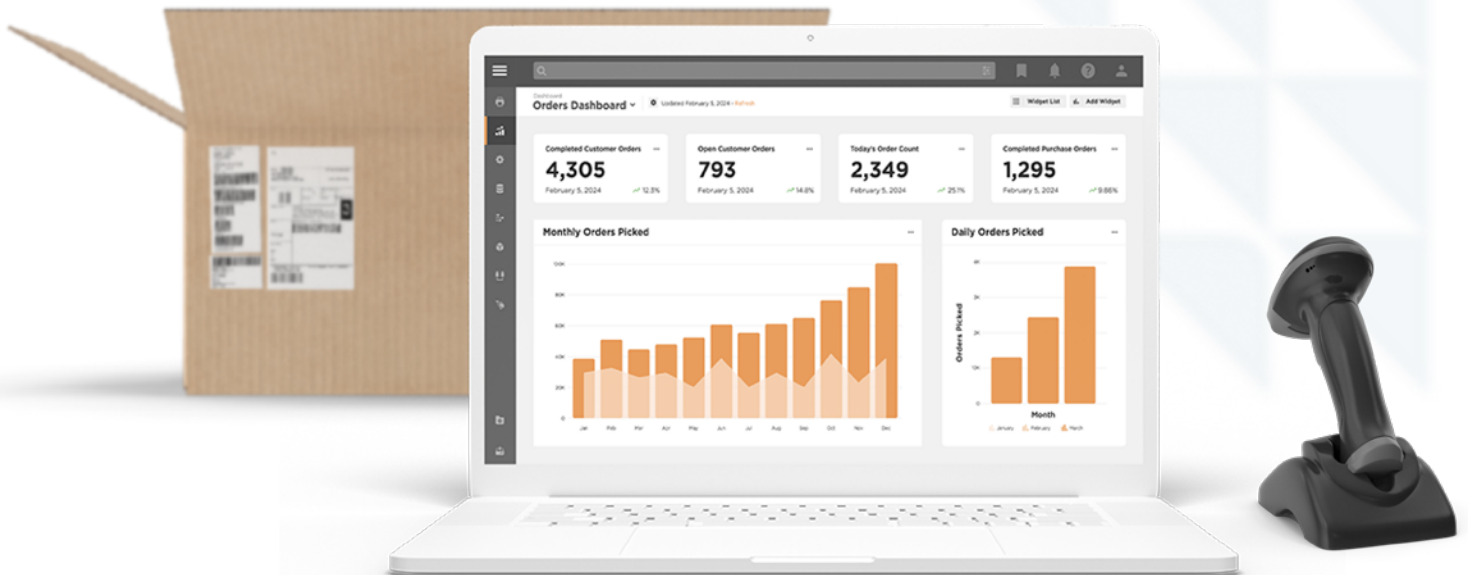
The ability to adapt — by investing in the right platforms, leveraging advanced supply chain technologies and empowering teams — will define the next wave of DTC leaders.

As market conditions continue to shift, Deposco helps companies navigate DTC and optimize warehouse and order management technology to drive efficiency, increase resilience and support sustainable growth.



Deposco's supply chain software maps out your success, accelerates execution, and navigates your growth journey, driving unparalleled efficiency and cost savings. Its AI-powered platform delivers actionable insights across the entire supply chain — from planning to execution — adapting like a GPS to keep you on the optimal path. With the industry's most extensive collection of pre-built integrations for rapid implementation, we help over 4,000 of the world's fastest-growing retailers, 3PLs, DTC businesses, and brands navigate over 165 million consumer orders globally. To schedule a demo of Deposco, visit [deposco.com/request-demo/](https://deposco.com/request-demo/)

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