

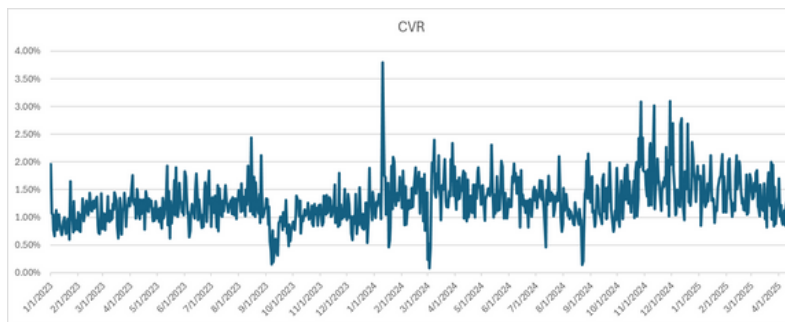
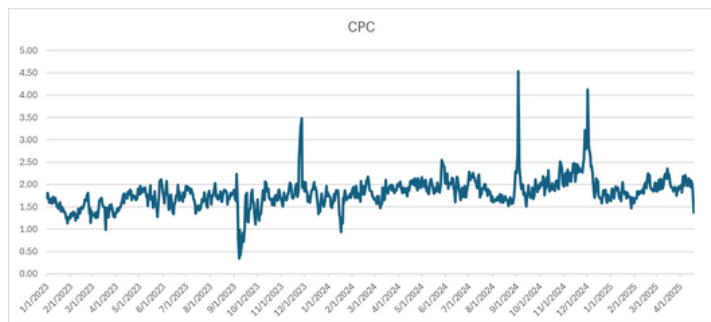
Temu & Shein's Pullback: A Rare Window for U.S. eCommerce Growth

For two years Temu and Shein's aggressive paid media strategies have driven CPCs sky-high and crowded out mid-sized brands, particularly in home goods, fashion, and beauty.

Now, facing mounting tariff pressures, both giants are retreating from ad auctions. This sudden pullback presents a short-term window for growth-focused eCommerce brands to move fast, regain ground, and test smarter while the competitive noise dies down.

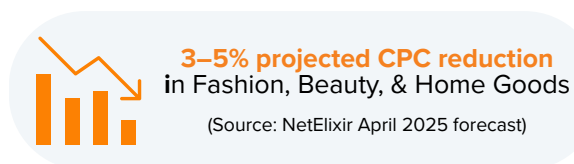
Strategic Signal: What the Data is Starting to Show

NetElixir analyzed paid media auction trends across key retail categories from January 2023 to April 2025, with a deep dive into Home Furnishings, one of the verticals most affected by Temu's ad surge.



Here's what the early signals suggest:

- CPCs rose steadily across most categories from 2023–2025
- In the last two weeks, Home Furnishings and Fashion show marginal CPC declines
- While still early to draw firm conclusions, this may mark the beginning of a market recalibration



Data Insight

For mid-sized brands priced out of visibility, even a modest CPC drop opens a path to reclaim share and reengage lost customers, before tariffs reset the playing field.

The Growth Playbook:

NetElixir has helped brands navigate market volatility for over 21 years. Based on current trends, here are the strategic priorities for eCommerce leaders who want to seize this window.

Focus	Why it Matters	What to Do Now
Act with Agility	Auction dynamics are shifting fast	Monitor CPCs weekly. Accelerate decision-to-launch cycles.
Experiment Smarter with AI	Marginal gains compound over time	Use AI tools like NetElixir's LXRInsights to rapidly experiment focusing on compounding marginal gains.
Win Back Lost Customers	High-LTV defectors are more accessible now	Retarget churned segments. Conquest price-sensitive audiences.
Lead with Differentiation	Values now outweigh discounts	Double down on what Temu and Shein couldn't offer: U.S.-made, sustainable, premium.
Growth Partner	Strategy without execution is stalled growth	Partner with teams who test, launch, and iterate at your speed.

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Lost visibility or customers to low-cost competitors? This is your moment to win them back. NetElixir helps eCommerce brands move fast, test smarter, and turn disruption into growth.