



Unboxing the 2023 Holiday Shopping Results

Adobe Digital Insights | January 2024



Methodology

Only industry report that measures direct consumer transactions

- Over **1 Trillion** visits to U.S. retail websites
- 100 million product SKUs, across 18 product categories
- Adobe Analytics is the leading data insights tool for retailers

85 of the top 100* U.S. Internet retailers use Adobe Experience Cloud to power their digital business

- Only Adobe can access a high volume of consumer transactions
- Data is aggregated and anonymized to provide insights
- The holiday season covers the months of November and December 2023.
- Cyber Week runs between Thanksgiving Day and Cyber Monday.

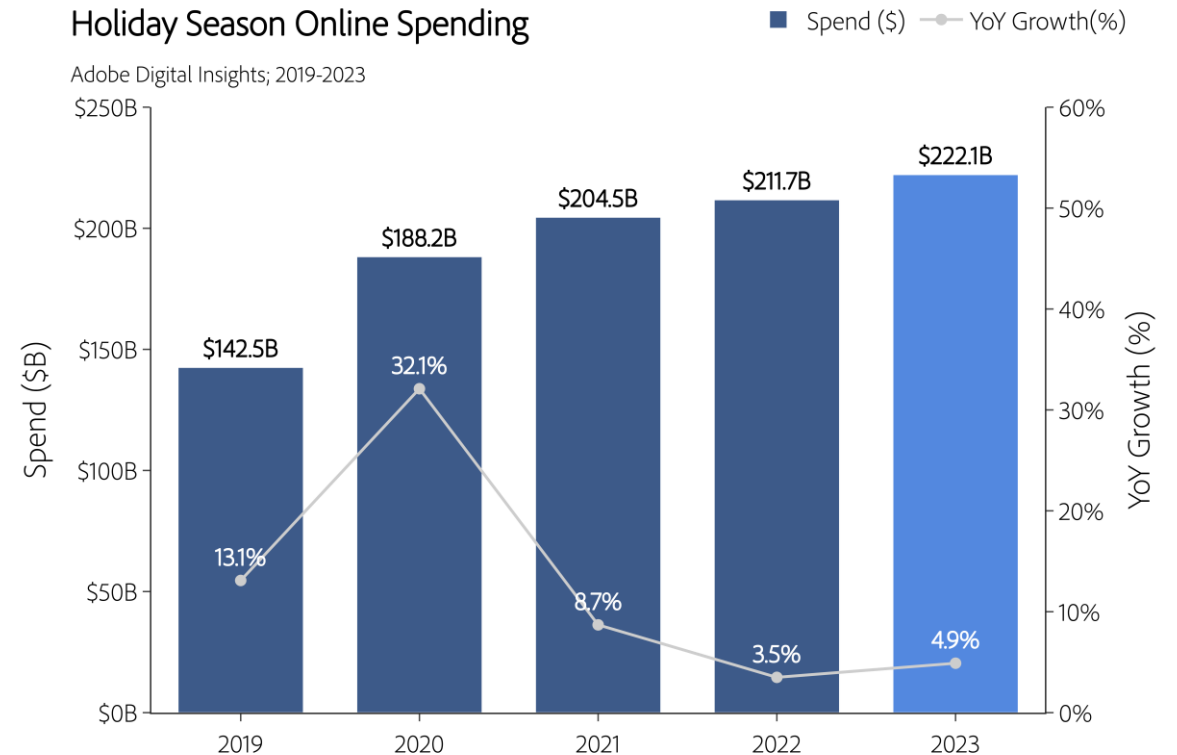
Key Findings

- Despite a challenging macro-economic climate, we saw consumers generate over **\$222.1 Billion dollars (4.9% YoY)** for online retail, this season (Nov – Dec).
- Major retail categories like Electronics, Apparel, Furniture and Toys offered strong online discounts to entice consumers.
- The contribution of major sales days spanning the Cyber Week (Thanksgiving – Cyber Monday) helped lift the whole season.
- Mobile device overtook desktop this holiday season, accounting for 51.1% of online spend for the holiday season and amounting to a record **\$113.5 billion**.
- BNPL (buy now, pay later) grew to new heights in the holiday with a record **\$16.6 billion** being spent over the holiday season (up **14% year over year**).
- Consumers looked to mitigate shipping costs by choosing standard shipping and relying on curbside pickup for last-minute gifts.



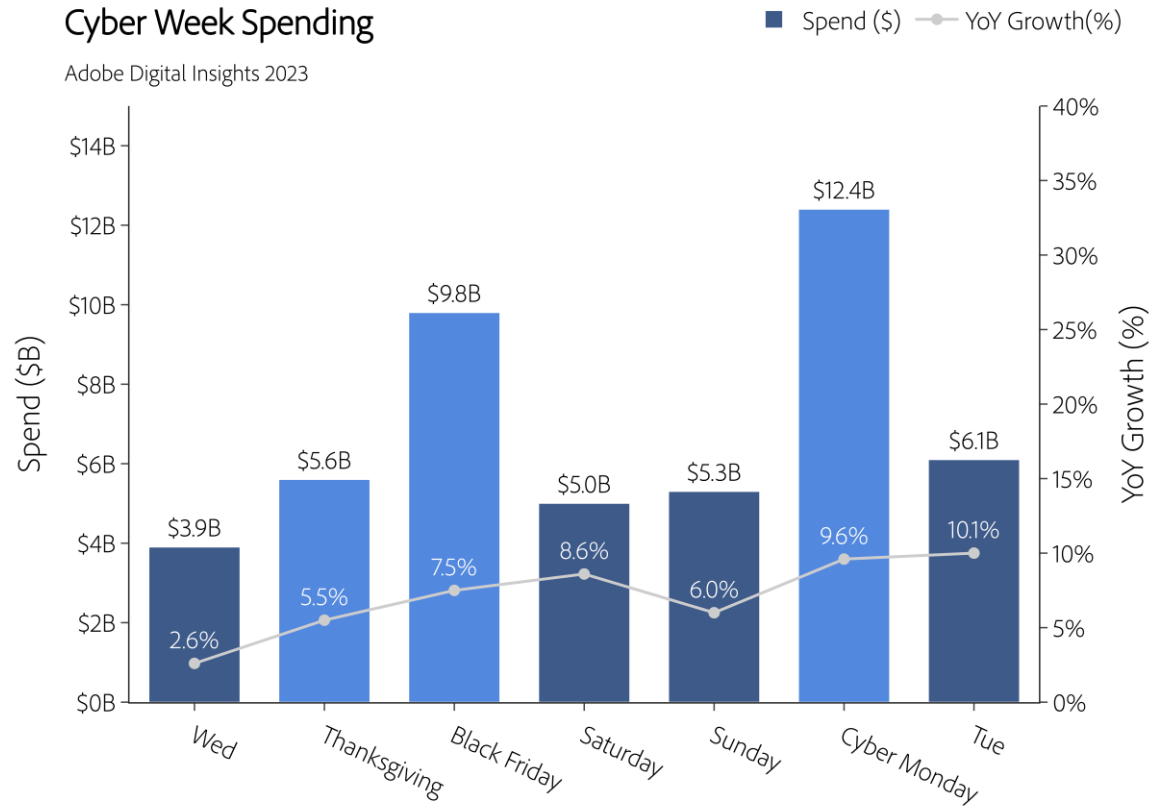
Holiday season online spend drove \$222.1B this year

- Due to competitive discounts across major categories, we saw moderately strong online sales growth at 4.9% YoY for the holiday season.
- Total online spend for the Nov-Dec holidays reached \$222.1 billion dollars.
- While growth accelerated over holiday season '22, it still did not reach the pre-pandemic growth levels of 2019.
- November boasted stronger growth at 6% YoY, but moderated to 3.7% YoY, in December.



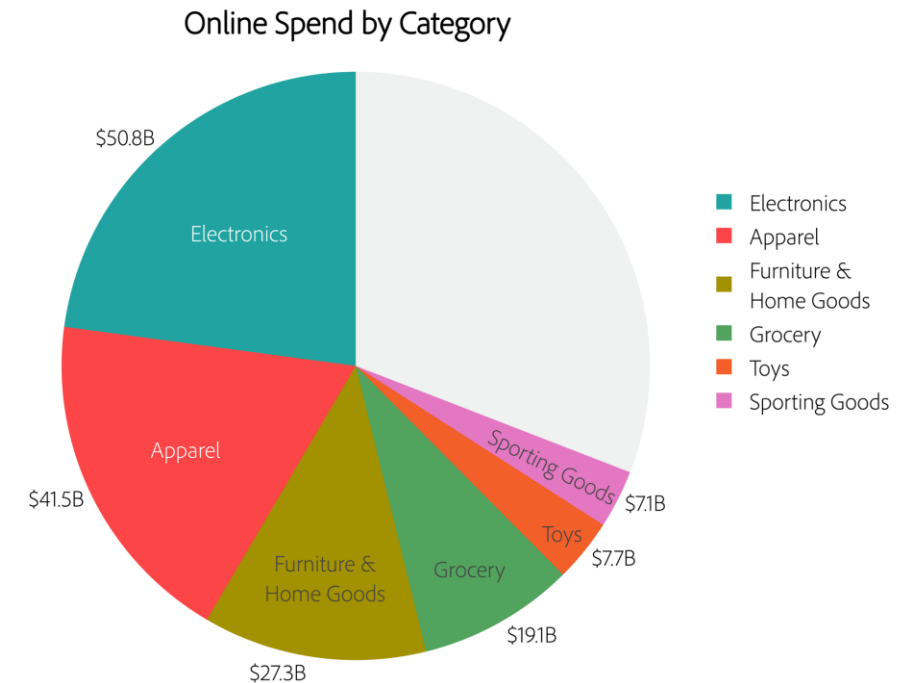
Cyber Week Spending Continued to Scale

- 5-day Cyber week (Thanksgiving Day – Cyber Monday) grew more compared to the rest of the season at 7.8% YoY.
- Cyber week drew in \$38 Billion Dollars - that's 17.1% of the entire season's revenue.
- Consumer favorite Cyber Monday saw higher growth over the weekend at a rate of 9.6% YoY, breaking \$12B for the first time (\$12.4 B).
- Over the five days, Thanksgiving kicked off spend momentum at 5.5% YoY to land at \$5.6B in revenue. Black Friday reached 7.5% growth and \$9.8B in revenue.



Key categories contributed to the holiday season growth

- Electronics drove \$50.8B dollars with 5.4% growth YoY.
 - Furniture drove \$27.3B dollars with 7.5% growth YoY.
 - Grocery drove \$19.1B dollars with 12.4% growth YoY.
 - Apparel drove \$41.5B dollars with 1.7% growth YoY.
 - Toys drove \$7.7B dollars with 4.1% growth YoY.
 - Sporting Goods drove \$7.1B dollars with 2.5% growth YoY.
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- Electronics sales are nearly 25% higher in November than December due to the Cyber Week discounts.
 - Toys sales are nearly 8% higher in December compared to November due to last minute shopping of Christmas gifts.
 - Online Groceries sales are nearly 13% higher in 2023 than 2022 and have been increasing throughout the year.

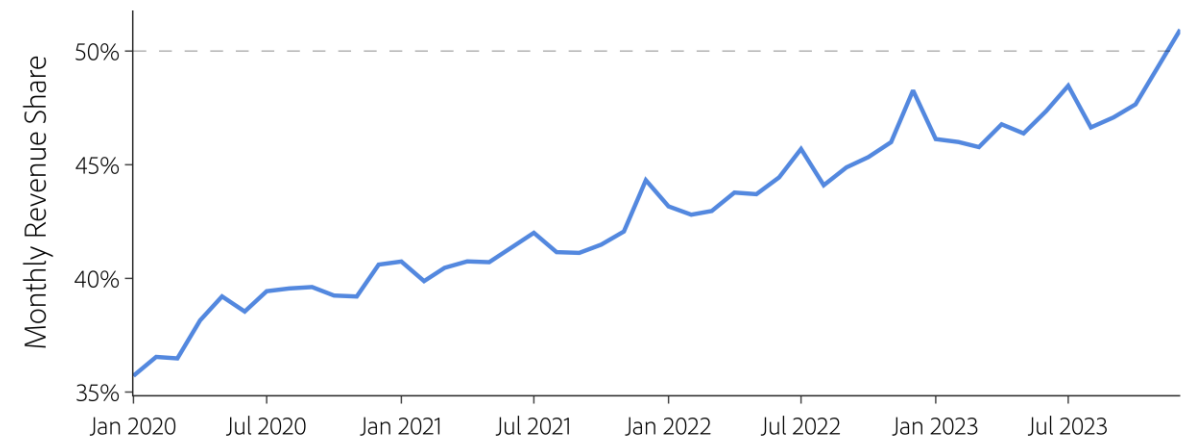


Spend on mobile devices hit a record \$113.5 billion this holiday season

- 2023 marks the biggest year ever for ecommerce spend made through mobile devices.
- A record **\$113.5 billion** was spent via mobile this holiday season (Nov-Dec), representing **14.3%** growth over 2022.
- Last holiday, mobile spend accounted for 47.1% of spend and totaled \$99.3 billion.
- For 2023 overall, mobile accounted for **\$464.8 billion dollars**. That's 11.8% growth over last year's \$415.7 billion.
- Mobile revenue share peaked during Cyber Week with an average of **51.8% (\$19.7 billion dollars)**.

Mobile Revenue Share Surpassed 50% in December 2023

Adobe Digital Insights; 2020-2023

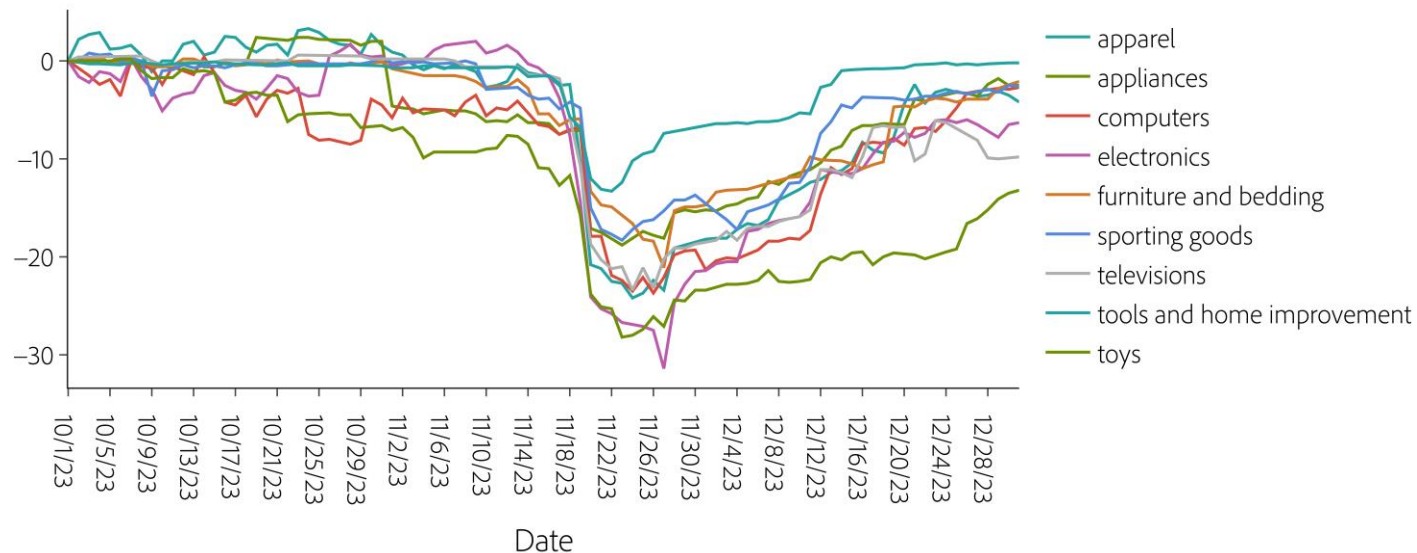


Holiday discounts reached record levels across multiple categories

- To incentivize stronger consumer spending, retailers provided double digit seasonal discounts within the range of 10% - 30%.
- Electronics, Toys, Computers, and Apparel boasted some to the deepest discounts of the season.
- Discounts remained competitive throughout the season, but their strength through the Cyber 5, helped drive record spending over the major shopping days(Thanksgiving, Black Friday, and Cyber Monday).

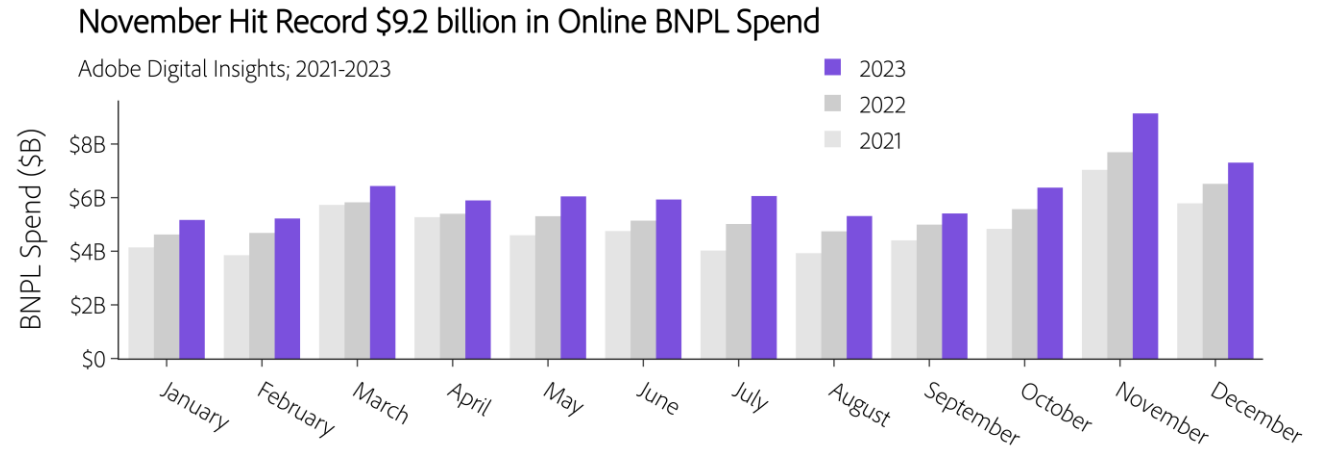
Discounts

See when the best prices showed up for top categories



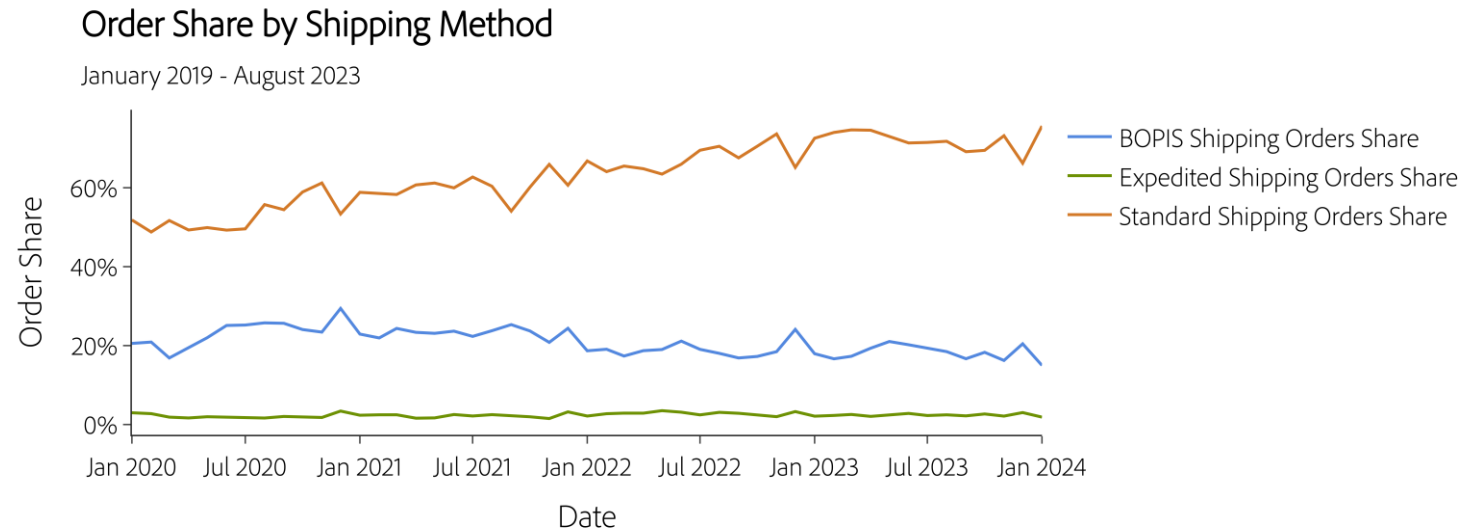
BNPL helped fuel the holiday shopping season

- Buy Now, Pay Later (BNPL) growth remains strong as consumers rely on the payment method to spend more than ever this holiday season.
- November 2023 alone reached **\$9.2 billion** in BNPL spend, the largest month ever recorded. The second largest month on record is November 2022 which was \$1.6 billion less.
- Cyber Monday brought in the most spent ever in a day online using BNPL at **\$940 million**. The second largest day ever was Cyber Monday 2022 with \$658 million. Consumers spent \$2.7 billion using BNPL during Cyber Week (11/23-11/27).
- Total online BNPL spend during the holiday season (Nov-Dec) reached **\$16.6 billion**, up **14%** year-over-year and \$2.1 billion more than last year. Total BNPL spend in 2023 was \$75 billion.



Curbside / BOPIS tracked lower this season as consumers headed back into the store

- Retailers that offered curbside / BOPIS saw **18.4%** of orders leveraging the pickup options during the holiday season.
- BOPIS utilization peaked on December **23rd** at **37%** of orders.
- In 2023, BOPIS was used in **18.5%** of orders for retailers who offer the service.
 - Down from pandemic highs in 2020 and 2021 where it was used in **23.2%** and **23.3%** of orders, respectively.
- Share of orders with expedited shipping in 2023 was down **12.9%** compared to 2022.
- In contrast, the share of standard shipping was up **6.7%** compared to 2022.



TikTok traffic share surges while Facebook and Instagram decline

- TikTok's share of traffic to retail sites **increased 93%** over the holiday season (Nov 1st – Dec 31st).
- In contrast, Facebook's share of traffic fell 4% year over year
- Instagram also saw their share of traffic decline during the holiday season, as it fell 8%.



Top categories that drove growth this holiday season

- Smart watches, toys and video games topped the categories with the biggest lift over the pre-holiday period*.
- Home and garden supplies, pet products and auto parts sat in the lower-end of the growth spectrum over the entire season.



*Pre-holiday defined as October 2023

Holiday hot products

Toys

- Disney Little People
- Uno Show No Mercy
- KidKraft Playsets
- Squishmallows
- Barbie Products
- Minibrands
- Marvel Superhero Toys
- LEGOs

Games

- Nintendo Switch
- PlayStation 5
- Xbox Series X
- Super Mario Bros. Wonder
- Spiderman 2
- Call of Duty: Modern Warfare III
- Hogwarts Legacy
- NBA 2k24

Electronics

- Smart speakers
- Tablets
- Bluetooth headphones
- Smart watches
- TVs
- E-readers
- Cordless and robot vacuums

Other

- Cookware sets
- Skin care products
- Jewelry
- Coffee makers
- Air fryers
- Instant pots
- Gift cards

