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Adobe Forecasts $209.7 Billion Holiday Season Online (U.S.); Cyber Monday to top $11 Billion

- **Discounts expected to hit record highs for categories such as electronics, toys and computers**
- **Groceries set to hit a record $13.3 billion in online spend, as consumers plan holiday meals**
- **Holiday season will be impacted by earlier spending, with an October Prime Day and early discounts**

SAN JOSE, Calif. — Oct. 10, 2022 — Today, Adobe (Nasdaq:ADBE) released its online shopping forecast for the 2022 holiday season, covering the period from Nov. 1 through Dec. 31, 2022. Based on Adobe Analytics data, the report provides the most comprehensive view into U.S. e-commerce by analyzing commerce transactions online. The analysis covers over 1 trillion visits to U.S. retail sites, 100 million SKUs and 18 product categories. Adobe Analytics is part of Adobe Experience Cloud, which over 85% of the top 100 internet retailers in the U.S.* rely upon to deliver, measure and personalize shopping experiences online.

Adobe expects U.S. online holiday sales to hit **$209.7 billion** from Nov. 1 to Dec. 31, representing **2.5% growth** year-over-year (YoY). During the 2021 holiday shopping season, $204.5 billion was spent online (growing 8.6% YoY), with consumers uncertain about returning to physical stores due to lingering pandemic concerns.

Consumers are expected to spend earlier this year, as a second Prime Day (Oct. 11-12) kicks off before the holiday season begins. The first Prime Day event drove record online sales for the retail industry overall, with $73.7 billion spent in July (up 20.9% YoY). These discounts will entice some consumers to start their shopping sooner, impacting Cyber Week performance. The holiday season will also be impacted by an uncertain economic environment, as shoppers contend with elevated prices offline (food, gas, housing) and the rising cost of borrowing.

Cyber Monday is expected to remain the season's and year's biggest shopping day, driving a record **$11.2 billion** in spending, increasing 5.1% YoY. By comparison, Black Friday online sales are projected to grow by just 1% YoY at $9 billion, while Thanksgiving sales are set to fall to $5.1 billion, down 1% YoY. These major shopping days are losing prominence as e-commerce becomes a more ubiquitous daily activity, and as consumers see discounts continuing throughout the full season. Adobe expects Cyber Week (Thanksgiving to Cyber Monday) will bring in **$34.8 billion** overall, up 2.8% YoY. This represents a 16.3% share of the full season, down from 16.6% in 2021.

"The shape of the holiday season will look different this year, with early discounting in October pulling up spend that would have occurred around Cyber Week," said Patrick Brown, vice president of growth marketing and insights at Adobe. "Even though we expect to see single-digit growth online this season, it is notable that consumers have already spent over $590 billion online this year at 8.9% growth, highlighting the resiliency of e-commerce demand." *($590 billion from Jan. to Aug. 2022)*

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Insights Into the Three Major E-Commerce Categories

Collectively, electronics, apparel and groceries will contribute **$103.8 billion** in online spending this holiday season, nearly half of what Adobe expects for overall spending ($209.7 billion). These categories have emerged as major revenue drivers online.

Adobe expects electronics to drive $49.8 billion of online spending, up 2.9% YoY. Heavy discounts will impact margins and spending but attract enough shoppers to maintain growth. In apparel, shoppers are expected to spend $40.7 billion online this season. This **6.7% YoY decline** will reflect increasing consumer interest in physical stores, as pandemic-related anxieties subside. Lastly, the grocery category boomed online in 2020 when people spent more time at home; this season, Adobe expects groceries to drive $13.3 billion of spending online (growing 10.5% YoY) as consumers plan holiday meals.

Discounts Expected To Be Massive During the Holiday Season

Adobe expects that discounts will hit record highs (upwards of 32%) this holiday season, as retailers contend with oversupply and a softening consumer spending environment. Computers, electronics and toys will hit all-time highs: Discounts for computers are expected to be as high as 32% (up from 10% in 2021), while electronics discounts are set to hit 27% (up from 8%), and toys at 22% (up from 19%). Other discount categories will include televisions at 19% (vs. 11% in 2021), apparel at 19% (vs. 13%), appliances at 18% (vs. 4%), sporting goods at 17% (vs. 6%) and furniture & bedding at 11% (vs. 2%).

The biggest discounts are expected to hit between Thanksgiving and Cyber Monday. Thanksgiving Day (Nov. 24) will be the best day to shop for electronics, while Black Friday (Nov. 25) will have the best deals for televisions. That Saturday (Nov. 26) will have the biggest discounts for toys, with the best deals for apparel and sporting goods arriving on Sunday (Nov. 27). Those looking to buy a computer or furniture should shop on Cyber Monday (Nov. 28), and appliances will see top discounts on Dec. 1.

While the days between Thanksgiving and Cyber Monday are set to have the best deals, consumers will see bargains as early as the second week of October, where discounts are expected to be as high as 15%. Deals will also persist through the remainder of the year, with discounts as high as 20% in the weeks after Cyber Monday (Nov. 29 through Dec. 31). These moments will offer greater flexibility to consumers who need to manage their budgets in new ways this year.

Additional Insights:

- **Buy Now Pay Later:** In 2020, the Buy Now Pay Later (BNPL) payment method saw significant traction, as the pandemic drove many consumers to manage their budgets in different ways. In that year, online revenue share for BNPL grew an impressive 31.6% YoY. As we enter the 2022 holiday season, BNPL usage is expected to slow. From January to September 2022, online revenue share from BNPL grew only 5% when compared to the same period in 2021. While the growth has been partly affected by the broader economic environment and a slowdown in consumer spending, BNPL is also contending with challenges in demonstrating value to mass consumers.
- **Most anticipated gifts:** Based on Adobe data and analyses of market trends and social media buzz, the top toys this season are expected to be the Got2Glow Fairy Finder, Mini Brands, Squishmallows, LOL Surprise Dolls, Bluey toys, Disney Encanto and Cocomelon. Top gaming devices include the Nintendo Switch OLED, PlayStation 5 and Xbox Series X, with top games including Overwatch 2, Pokémon Scarlet/Violet, NHL 23 and Call of Duty: Modern Warfare II; Other top gifts will include Dyson Airwrap Styler, Apple Watch Series 8/Ultra, AirPods Max/Pro, Stanley Tumblers and gift cards.
- **Curbside pickup:** In December 2021, curbside pickup was used in 25% of all online orders, as consumers looked for faster and safer ways to shop. This fulfillment method has ingrained itself with shoppers and will remain widely used this upcoming season. Adobe expects curbside pickup to peak from Dec. 22 to Dec. 23 (right before Christmas Eve) at around 35% of all online orders, while remaining around 25% through November 2022. In an Adobe survey of over 1,000 U.S. consumers, 35% of respondents plan to use curbside pickup this season.

About Adobe

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*Per the Digital Commerce 360 Top 500 report (2021)

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