RESEARCH

Adobe forecasts $143B in US online sales this holiday season

October 30, 2019

Buy online, pick up in-store (BOPIS) will grow this holiday season, per Adobe. Image credit: Adobe

By STAFF REPORTS

Record "buy online, pick up in-store" orders to be placed, according to Adobe. Six fewer days in season means $1 billion of potential revenue lost. Here is the Adobe report based on the data:

Adobe released its online shopping predictions for the 2019 holiday season Nov. 1 through Dec. 31 powered by Adobe Sensei, Adobe's AI and machine learning technology.

Based on Adobe Analytics data, Adobe predicts that United States online sales will increase 14.1 percent, totaling $143.7 billion, while total retail spending both online and offline is expected to increase 4 percent.

Cyber Monday will set a new record as the largest and fastest growing online shopping day of the year, with $9.4 billion in sales, an 18.9 percent increase year over year (YoY).

Online sales between 7 p.m. and 11 p.m. Pacific Time on Cyber Monday are expected to drive more than $3 billion in revenue, with sales conversions nearly doubling during these golden hours of online retail.

Thanksgiving Day sales are expected to increase by 19.5 percent, generating $4.4 billion.

One out of five dollars this holiday season will be spent during Cyber Week between Thanksgiving Day and Cyber Monday, generating $29 billion, or 20 percent of total online revenue this season.

With just 22 days between Cyber Monday and Christmas Day, there are six fewer days of peak holiday shopping days than 2018, translating into almost $1 billion of potential revenue lost due to the abridged time period.

The compressed shopping calendar means that retailers will begin sales earlier than ever before, with each day in November and December surpassing $1 billion in online retail sales for the first time.

The most anticipated gifts include game consoles such as Nintendo Switch Lite and SEGA Genesis Mini, as well as toys such as Owleez, Blume Dolls, Candy Locks, Kindi Kids, and LOL Surprise OMG Swag.

Top-selling video games are expected to include Pokmon Shield/Sword, Shenmue 3, Jedi Fallen Order, Death

Stranding and Call of Duty: Modern Warfare.

"The compressed shopping cycle will see retailers launching offers far earlier than ever before," said John Copeland, head of marketing and customer Insights at Adobe.

"With fewer days to spend, Adobe Analytics predicts that BOPIS buy online, pick up in store will be more popular than ever before, with revenue from this delivery method doubling in the week before Christmas as shoppers rush to complete their gift lists."

Additional predictions include:

- Best days for deals: Black Friday will be the day to pick up the best discounts on appliances (discounted by 9 percent) and sporting goods (6 percent). Dec. 1 will be the key deal day for toys (32 percent) and computers (18 percent). Cyber Monday (Dec. 2) will see the deepest discounts on televisions (19 percent), while furniture and bedding (10 percent) and tools and home improvement items (6 percent) will be the categories offering the best savings on Dec. 3. Dec. 27 is the day to wait for electronics bargains, offering up massive savings of 27 percent.

- A shopping mall in your pocket: U.S. consumers will spend $14 billion more on their smartphones compared to last year, accounting for 36 percent of all online sales, a 20 percent increase in share year over year, and 57 percent of visits, an 11 percent increase year over year. With retailers optimizing for mobile, online spend on smartphones will increase from 30 to 47 cents per minute, a 63 percent jump since 2016. Consumers will continue to use desktops to make research-heavy purchases such as furniture, electronics and appliances, resulting in a 28 percent higher AOV than on smartphones.

- A BOPIS bonanza: BOPIS orders have experienced strong growth, with 39 percent more BOPIS orders expected to be placed this year compared to 2018. BOPIS share of revenue is anticipated to double during the week before Christmas as panic-buying sets in. Thirty-seven percent of consumers said they are planning to use BOPIS this season, while 82 percent of BOPIS patrons say they will likely shop for additional items when picking up their online order.

- Larger retailers win the retail battle: While online giants will see revenue increase by 65 percent, smaller retailers will only enjoy a 35 percent boost. Large retailers (annual online revenue of more than $1 billion) will be the clear winners on Black Friday and Cyber Monday, with smaller retailers less than $50 million annual online revenue failing to drive strong online traction despite the growing awareness of Small Business Saturday. Additionally, large retailers will benefit from higher conversion rates, with customers visiting their sites 32 percent more likely to convert versus smaller retailers (23 percent).

- Mad for ads: Fifty percent of consumers state that ads during the holiday shopping season impact their purchasing decisions, while email continues to be the most preferred way to get an offer while holiday shopping. Smartphone visits to retail sites from social media have tripled in the past three years from 4 percent to 11 percent. However, visits coming from social platforms result in lower conversions compared to other channels such as search or email.

Methodology

Adobe leverages Adobe Sensei, Adobe's AI and machine learning technology, to identify retail insights from trillions of data points that flow through Adobe Analytics and Adobe Commerce Cloud, part of Adobe Experience Cloud. Adobe Analytics analyzes 1 trillion visits to U.S. retail sites, 55 million SKUs and features 80 of the largest 100 U.S. Web retailers.

Adobe's analysis spans large, medium and small retailers across over 50 merchandise categories, powered by Adobe Analytics and Magento Commerce Cloud, part of Adobe Experience Cloud, to provide an accurate view of online shopping in the U.S. Advertising insights were derived from analysis of more than 3.2 billion desktop video ad impressions placed between January and December 2018 by Adobe Advertising Cloud. Companion research is based on a survey of more than 1,000 U.S. consumers in October 2019.