

# What back-to-school season tells us about upcoming holiday retail trends

Article

US ecommerce back-to-school and holiday growth trends are usually pretty similar, but this year, growth will diverge.

**The trend:** US ecommerce back-to-school and holiday spending growth were within 1 percentage point of each other in both 2020 and 2021, and closer to 4 percentage points apart in 2022, during a holiday season impacted by inflation, supply chain issues, and geopolitical concerns.

**This year, the two seasons won't be as tightly aligned.**

- We forecast a US back-to-school ecommerce growth rate of 1.5%, slower than our forecast 11.3% holiday retail ecommerce growth.
- That said, holiday retail ecommerce growth this year will still be relatively low when compared with the past 15 years.

**Report card:** Back-to-school projections accounting for both ecommerce and in-store were a mixed bag this year, with the **National Retail Federation (NRF) projecting growth** of 12.5%, our own forecast projecting growth of 2.9%, and **Deloitte projecting a 10.0% dip** in back-to-school spending.

- Electronics in particular were projected to hit **unparalleled highs for both back to college** (\$23.20 billion) and back to school (\$15.20 billion). That said, early data from Earnest Analytics showed a **double-digit decline in computer and tablet sales** YoY from mid-July to mid-August.
- We project computer and consumer electronics sales will pick up to hit a new US ecommerce high this holiday season, reaching \$46.13 billion.
- **July retail sales, when a big portion of back-to-school shopping occurs, increased more than expected**, at 0.7%, according to the US Census Bureau reported by Forbes. That's good news for retailers, and marks the fourth consecutive month of increases in month-over-month retail sales, showing a rise in consumer sentiment.

**A tight Christmas?** This year's holiday season will be bigger than last year's.

- The **holiday season has already begun**, depending on who you ask. Some 11% of shoppers began holiday shopping as early as July, according to a consumer survey conducted on behalf of Bazaarvoice.
- That could be good news for retail, signaling that consumers are already willing to spend and aren't waiting around to see if prices drop further. But an early start could also eat into Q4

sales.

- Some retailers are **holding back on holiday hiring**, which could hinder growth.

**Price watch:** Inflation likely won't detract from holiday sales the way it did last year, when the **Consumer Price Index increased** by as much as 7.7% YoY. Easing inflation growth helped early back-to-school sales this year, according to US Census Bureau data reported by Forbes. Barring another major economic event, consumers should be less affected by skyrocketing prices.

*This was originally featured in the Retail Daily newsletter. For more retail insights, statistics, and trends, [subscribe here](#).*