

Apparel will overperform, while consumer electronics will struggle this holiday season

Article

- **Everyday categories will capture more holiday spending as high-ticket purchases suffer.** US consumers don't lack disposable income, and they're generally in good economic shape

heading into the holidays. But they just don't have as much need for the high-ticket items—such as consumer electronics, furniture, and appliances—that they splurged on during the pandemic. Apparel and accessories and toys and hobbies are the only gifting categories set to outpace the ecommerce sales growth rate benchmark of 11.3% for the full holiday season, with demand for clothes staying elevated amid the return-to-office, travel, and social events.

US Holiday Season Retail Ecommerce Sales, by Product Category, 2023

billions, % of total, and % change

	Retail holiday season ecommerce sales	% of total	% change
Apparel & accessories	\$54.59	21.5%	12.0%
Computer & consumer electronics	\$46.13	18.2%	7.0%
Furniture & home furnishings	\$34.00	13.4%	8.5%
Health & personal care	\$25.55	10.1%	19.8%
Food & beverage	\$21.26	8.4%	22.2%
Toys & hobby	\$19.36	7.6%	12.0%
Auto & parts	\$14.82	5.8%	12.9%
Books, music, & video	\$10.65	4.2%	9.9%
Office equipment & supplies	\$2.79	1.1%	6.3%
Other	\$24.56	9.7%	5.4%
Total	\$253.71	100.0%	11.3%

Note: sales are for Nov and Dec of each year; excludes travel and event tickets, payments such as bill pay, taxes, or money transfers, food services and drinking place sales, gambling and other vice goods sales; includes products or services ordered using the internet, regardless of the method of payment or fulfillment
 Source: Insider Intelligence | eMarketer, June 2023

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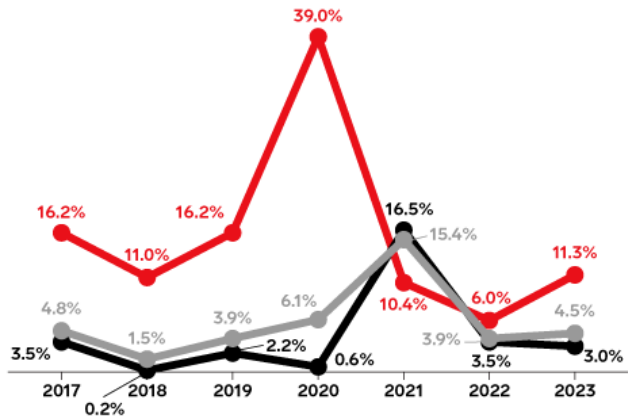
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- **It won't be an easy holiday season for a lot of specialty retailers.** Retailers like Best Buy and Wayfair are playing from behind this year, with demand for consumer electronics and home furnishings still looking to turn the corner. Consumer electronics sales should begin to improve with an expected strong season for iPhone 15 demand, but there aren't a lot of other new products in high demand to drive outsize gains. Retailers in these categories will need to fight against these headwinds to get into 2024 with the hopes that product upgrade cycles will drive momentum then.

KEY STAT: US holiday ecommerce sales will return to double-digit growth this year at 11.3% YoY, as growth rates for all retail channels return to a state of pre-pandemic normalcy.

US Retail Ecommerce, Non-Ecommerce, and Total Retail Holiday Season Sales Growth, 2017-2023

% change



- Retail ecommerce holiday season sales growth
- Retail non-ecommerce holiday season sales growth
- Total retail holiday season sales growth

Note: sales are for Nov and Dec of each year; excludes travel and event tickets, payments such as bill pay, taxes, or money transfers, food services and drinking place sales, gambling and other vice goods sales; retail ecommerce holiday season sales includes products or services ordered using the internet, regardless of the method of payment or fulfillment; retail non-ecommerce holiday season sales excludes products or services ordered using the internet

Source: Insider Intelligence | eMarketer, June 2023

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Report by Andrew Lipsman Oct 17, 2023

Holiday Shopping 2023



