

# What retailers need to know about 2024 (and beyond) in 5 charts

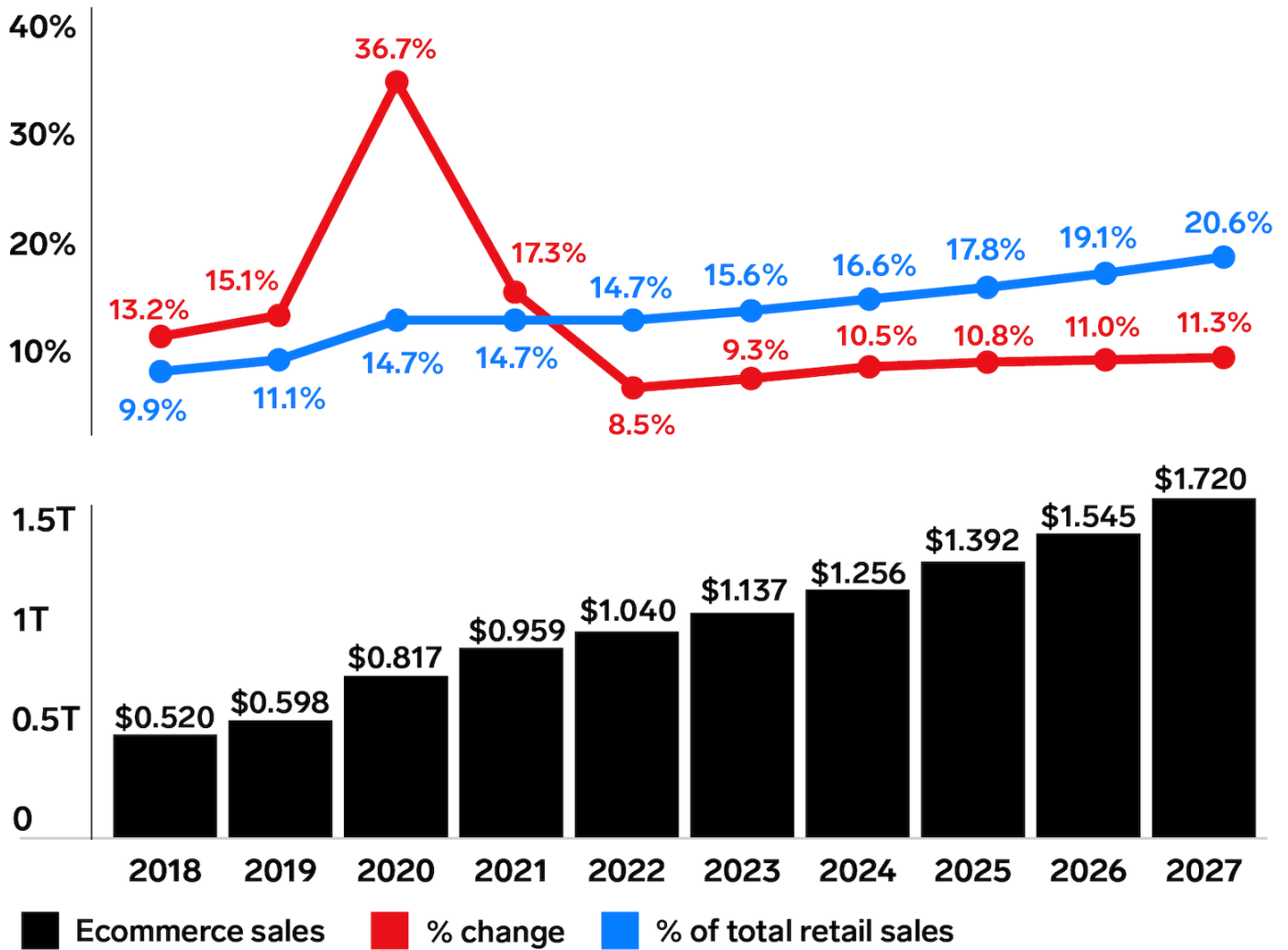
Article

As ecommerce growth returns to pre-pandemic levels, it will continue to drive total retail sales over the next few years. Retailers looking to drive sales need to focus on a seamless omnichannel experience and use deals to convince consumers to spend. Meanwhile, retail media's growth shows no signs of slowing, but advertisers and retailers must work together to ensure future success.

Here's five charts to consider as retailers get ready for 2024.

### 1. Ecommerce will drive retail sales once again

**US Retail Ecommerce Sales, 2018-2027**  
trillions, % change, and % of total retail sales



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

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The crazy highs and lows of the past few years are gone and retail sales will normalize to pre-pandemic trends. That means ecommerce will be the driving force behind retail sales growth for the foreseeable future, growing by double digits through 2027, per our forecast.

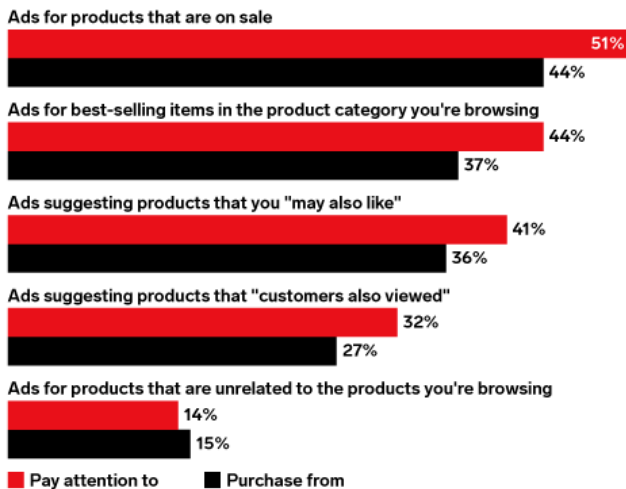
However, what people are buying online is shifting. Essential categories like grocery and health and personal care are growing their share of online sales whereas categories like home improvement or large appliances will decline or see minimal online sales growth.

On the flip side, **in-store shopping is going through a rough patch** as anti-theft measures and store closures detract from the customer experience. Retailers that want to drive consumers to physical stores in the new year will need to offer them experiences they can't get online through exclusive products and deals or fun, unique experiences.

## 2. Deals continue to rule

### Types of Retail Media Ads That US Digital Shoppers Pay Attention to vs. Purchase From, March 2023

% of respondents



Note: in the past 12 months  
Source: Integral Ad Science (IAS), "Driving ROI In Retail Media Networks," Aug 8, 2023

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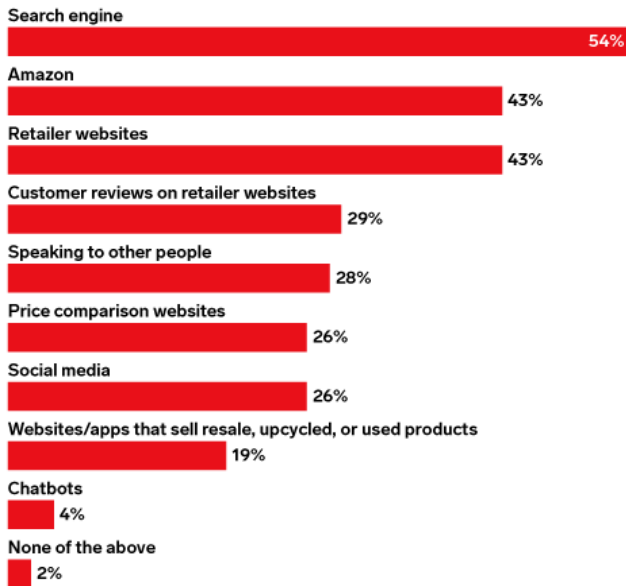
Deals and discounts are going to remain essential to driving consumer spending in 2024, especially when it comes to digital ads.

Personalization efforts should be focused on offering the right product to the right consumer at the right price.

### 3. Omnichannel will be more important than ever

#### Channels Typically Used by Adults in the Americas\* to Research Items/Products They Intend to Purchase, April 2023

% of respondents



Note: ages 18+; \*Brazil, Canada, Mexico, and the US

Source: PwC, "June 2023 Global Consumer Insights Pulse Survey," June 26, 2023

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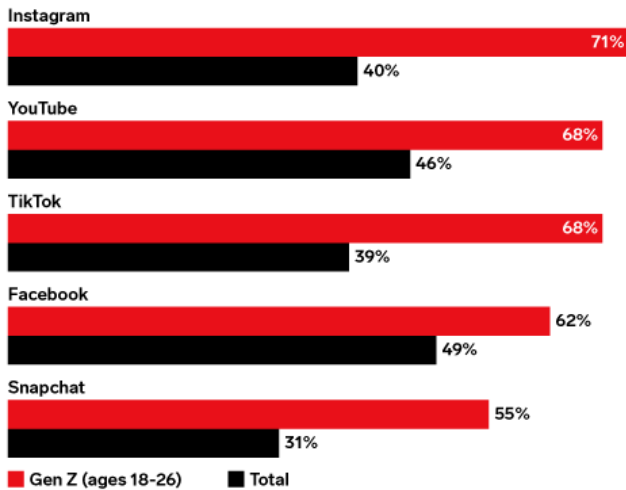
Shopping is no longer in-store or online. It's a fluctuating journey, where consumers may start their search in one place and make their purchase in another.

But not every channel needs to drive a purchase. Heading into 2024, retailers should know where their audience is discovering products, where they're learning more about them, and where they're buying them. No matter if that's all happening in one channel or if it's happening in many, any time a consumer interacts with a brand, it should feel consistent and flow from one interaction into the other. That's the true key to omnichannel success.

### 4. Younger generations will drive social commerce growth

## Social Networks Where US Adults Are Likely to Make Purchases Directly, Gen Z vs. Total, Q1 2023

% of respondents



Source: Jungle Scout, "Consumer Trends Report: Q1 2023," March 21, 2023

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Next year, US retail social commerce sales will total \$82.82 billion, growing 23.5% YoY, per our forecast. Gen Z will likely be driving this growth, as they are overwhelmingly more likely to make purchases via social platforms than the overall population, according to Jungle Scout.

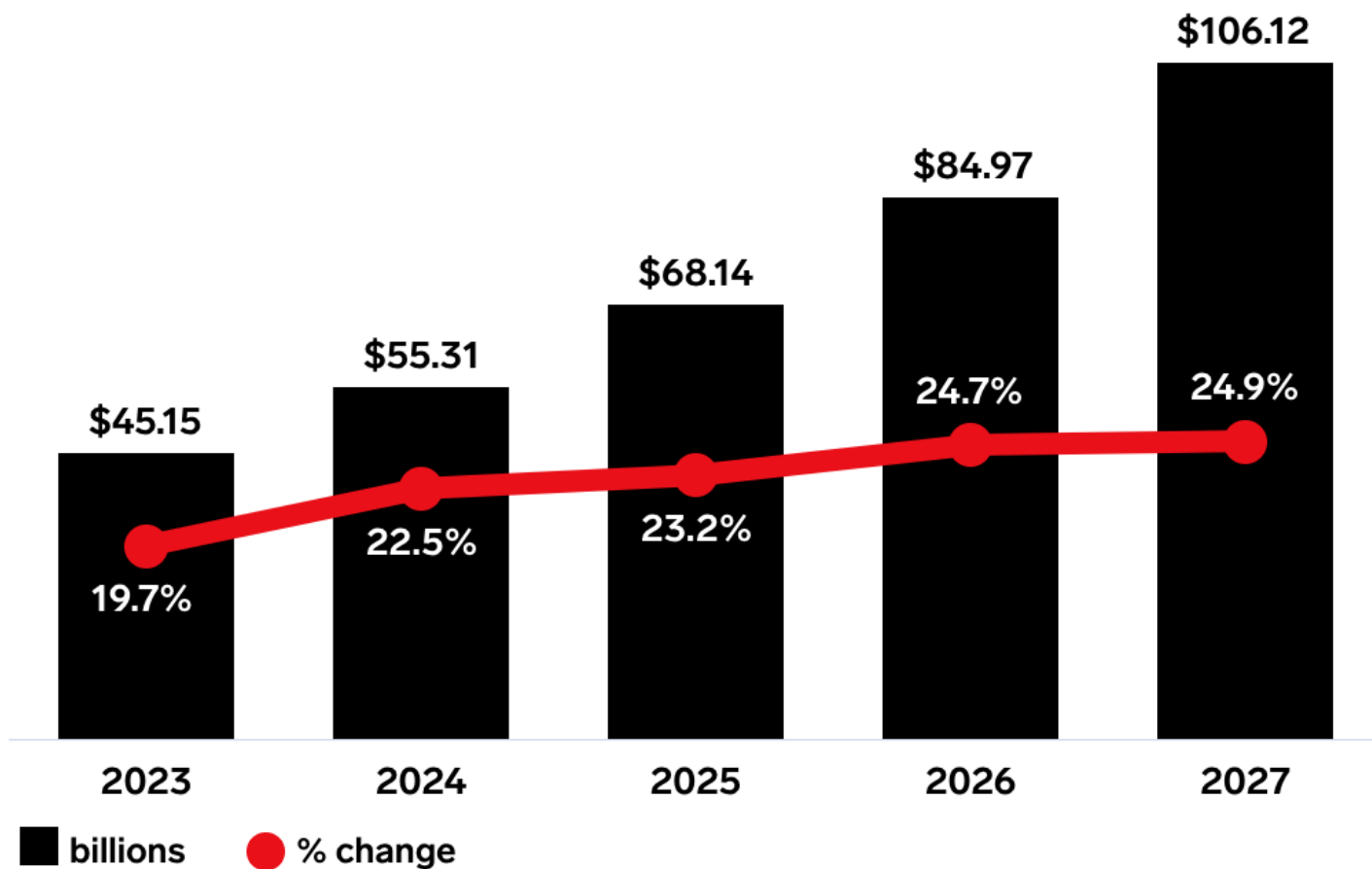
And not far behind is **Gen Alpha**, who even at a young age, are discovering brands through **social media**, paving the way for even higher social commerce sales in the future, per Razorfish.

“Unlike generations before them who were consuming video content primarily on TV, Alphas are learning about brands from the creator content they are watching on YouTube,” said Dani Mariano, president of Razorfish. “From unboxing videos to watching YouTubers play video games, Alphas seek and enjoy self-directed control over their content. They love the excitement that these types of videos provide and imagine themselves in these situations.”

## 5. Retail media’s success depends on both networks and advertisers

## Retail Media Ad Spending

US, 2023-2027



Note: digital advertising that appears on websites or apps that are primarily engaged in retail ecommerce or is bought through a retailer's media network or demand-side platform (DSP); examples of websites or apps primarily engaged in retail ecommerce include Amazon, Walmart, and eBay; examples of retail media networks include Amazon's DSP and Etsy's Offsite Ads; includes ads purchased through retail media networks that may not appear on ecommerce sites or apps

Source: eMarketer, March 2023

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Retail media ad spend shows no signs of slowing down, growing 22.5% next year to reach \$55.31 billion. **But to sustain this growth, both retailers and advertisers have some work to do.**

Retail media networks (RMNs) must start **adopting measurement standards to help advertisers more accurately measure campaign performance** across multiple networks. RMNs should also expand their upper-funnel offerings, experimenting with connected TV (CTV), social media, and the open web.

For their part, advertisers need to align their internal goals and budgets in order to maximize the effectiveness of their investments and stretch their dollars as far as possible.

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