

# 4 analyst retail predictions about Cyber Five, retail media, and Walmart for the 2023 holiday season

Article

With the ascent of Chinese ecommerce disruptors and the ongoing rivalry between Amazon and Walmart, the upcoming holiday season is expected to bring some big shifts. Some of those shifts include the lessening of Cyber Five's importance and retailers losing focus on profitability, said our analysts Jeremy Goldman and Zak Stambor on a recent episode of the **"Behind the Numbers"** podcast.

### 1. The importance of Cyber Five will dwindle

Cyber Five's stronghold will loosen as holiday promotions start earlier. "[Early holiday sales] mean that people have less money to spend during the Cyber Five, so ultimately, those major shopping events are becoming less and less important," said Goldman.

- In 2019, Cyber Five sales accounted for 20.0% of total US holiday retail ecommerce sales. This year, it will account for 15.8%, according to our June forecast.
- Still, Cyber Five sales are significant. The period will rake in nearly \$40 billion in US ecommerce sales.
- While Cyber Monday will be the biggest sales day of the five, topping \$13 billion in online sales, Black Friday will pass the \$10 billion milestone for the first time this year.

### 2. Retailers may overlook profit in favor of sales

As retailers face increasing pressure to boost earnings during the holiday season, an overemphasis on sales figures may overshadow the overall priority of profitability, Goldman said. "Retailers are going to be spending a lot of money on retail media ads this year. As a result, that's going to eat into margins."

- **This holiday season**, advertisers will capitalize on marketplaces to fuel both product discovery and sales.
- US retail media ad spend will reach \$45.15 billion in 2023, growing 19.7% YoY, according to our March forecast.
- "There [are] so many options out there for where you can spend those dollars [and] that's where you can get lost ... then you lose sight of the end [profitability] goal," Stambor said.

### 3. Walmart will close the year strong

Thanks to sales in affordable groceries and strategies to draw higher-income consumers, Walmart is having a successful year. Momentum is expected to continue through the holidays, as the retail giant leverages click-and-collect solutions in physical stores and a mass scale of product offerings for its online marketplace, Stambor said.

- Walmart Inc.'s retail holiday ecommerce sales will hit \$20.37 billion this year, accounting for 8.0% of total US retail holiday ecommerce sales, per our June forecast.
- Walmart holds the No. 2 spot in US retail ecommerce sales, and it's expected to steal share from Amazon this holiday season.

#### 4. Chinese ecommerce disruptors will claim big sales

**Ecommerce titans with ties to China**—including Temu, Shein, and TikTok Shop—have big ambitions and bigger ad budgets, Stambor said. They're going to grab a lot of share by offering highly competitive prices, marketing their products across multiple channels, and driving spontaneous purchases.

- Temu, Shein, and TikTok were among the US's four most downloaded apps in Q1 2023, according to data.ai. All three have invested heavily to acquire new users, advertising widely across social, search, app stores, and mobile apps.
- In January 2023, only four months after its US launch, Temu had 65.2 million unique visitors, overtaking Target, per Comscore Media Metrix Multi-Platform.
- As inflation continues to remain top of mind for US holiday shoppers, the lure of budget-friendly options will give these brands a huge edge.

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