

Cyber Monday spending reaches new heights as shoppers hold out for discounts

Article

The news: Deal-hungry shoppers made this Cyber Monday the biggest online shopping day ever.

- **Spending reached \$12.4 billion**, per Adobe Analytics—up 9.4% year-over-year (YoY), and above the company’s projections.
- Shoppers spent \$15.7 million every minute during the sale’s peak hour, between 10:00pm and 11:00pm EST.

Waiting for deals: Consumers held their spending in check in the lead-up to Cyber Week in anticipation of deep discounts—and retailers made sure to deliver.

- The electronics and furniture categories saw record-high discounts, peaking at 31% and 21% respectively, while shoppers also benefited from steep promotions for toys (27%), apparel (23%), and appliances (18%), per Adobe Analytics.
- The fun isn’t over yet for deal-seekers. Discounts for appliances are expected to peak later this week, while promotions for sporting goods will be at their lowest levels in the beginning of December.
- Meanwhile, **Target** will continue to hold week-long holiday deals for the rest of the year as it tries to convince penny-pinching shoppers to boost discretionary spending.

Other findings: Cyber Week’s smashing success is a clear indicator that while many consumers feel stretched financially, they remain willing to spend big during holidays and promotional events. That said, shoppers’ behavior is changing as they look for ways to extend their budgets.

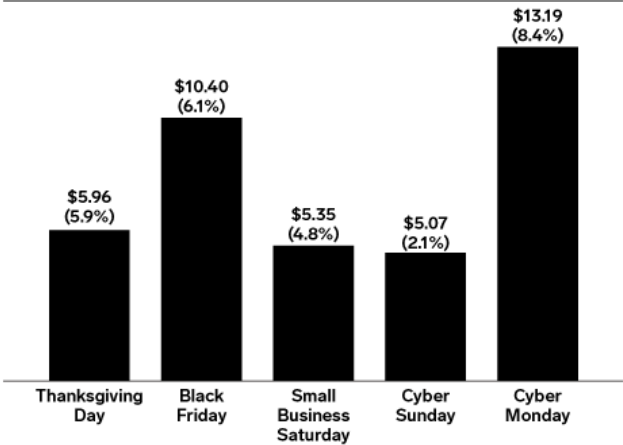
- **Early sales are pulling some holiday spending forward, but Cyber Five demand remains as strong as ever.** While Cyber Five’s share of total holiday ecommerce sales dipped slightly this year to 15.8%, more shoppers opted to pull back on spending in the weeks prior to the event in order to capitalize on better deals across Thanksgiving weekend.
- **Consumers are spending more on gifts, less on themselves.** Shoppers surveyed by PYMNTS and i2c expected to spend \$860 on non-gift holiday purchases, including experiences such as travel and entertainment—a 26% decline YoY. At the same time, spending on gifts is expected to rise 2.2% YoY.
- **Buy now, pay later (BNPL) usage is on the rise.** Shoppers used BNPL to pay for \$940 million worth of online purchases on Cyber Monday, a 42.5% increase YoY and an all-time high, per Adobe Analytics. Consumers are also taking advantage of the flexible payment service to

increase the size of their carts: The number of items per order using BNPL was 11% higher YoY.

The big takeaway: Despite the many pressures facing consumer spending, including (but not limited to) higher prices for everyday goods, high interest rates, wars abroad, and tightening access to credit, shoppers remain resilient.

- That’s why we expect US holiday sales to grow by 4.5% this year.

US Cyber Five Retail Ecommerce Holiday Season Sales, by Shopping Day, 2023
billions and % change vs. prior year



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, food services and drinking place sales, gambling and other vice goods sales
Source: Insider Intelligence | eMarketer, June 2023