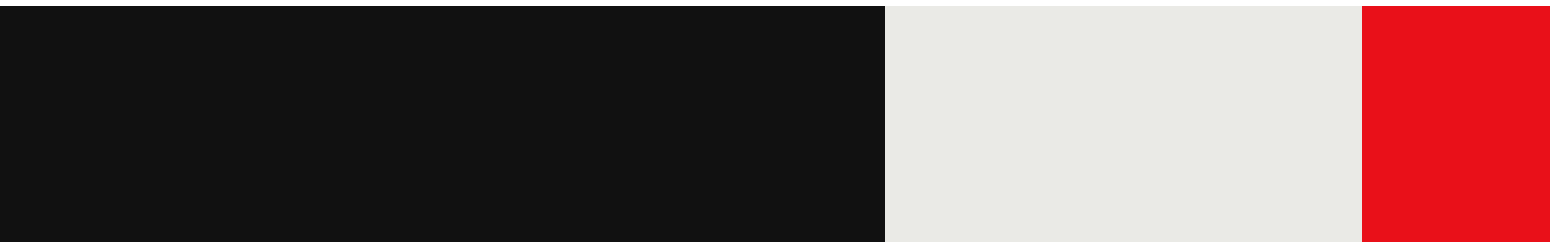



# Deals ruled the 2022 holiday shopping season

Article



Consumers spent \$211.7 billion online over the **2022 holiday season** (from November 1 to December 31), growing 3.5% year over year, per Adobe Analytics.

This is below our forecast of \$239.26 billion in **ecommerce sales**, meaning the headwinds we predicted (e.g., rising inflation, a stronger demand for experiences versus physical goods, product availability, and a longer holiday buying season) may have had a greater effect on spending than we anticipated.

That said, according to Mastercard, **total US retail sales** (both in-store and online) were up 7.6% year over year during the holiday season (November 1 to December 24). This is in line with our prediction that total holiday sales would grow 7.0% to reach \$1.297 trillion.

- Mastercard estimates that online sales grew 10.6% year over year (much higher than Adobe's figure) and in-store sales increased 6.8%.
- Restaurant sales also saw a big bump over the holidays, up 15.1% over 2021.

**Predictably, the toy category was a big winner online**, with sales growing 206% compared to pre-holiday season levels, according to Adobe Analytics. Video games (up 115%) and apparel/accessories (up 94%) also saw strong demand.

In another unsurprising turn, online discounts hit record highs as consumers sought the best deals. The highest discount rate was on toys (34% versus 19% in 2021), followed by electronics (25% versus 8%), computers (20% versus 10%), and apparel (19% versus 13%).

**Search still dominates:** Echoing the Cyber Five, paid search remained the biggest driver of sales for retailers, with 29% of online sales attributed to that channel. Direct web visits (19%), organic search (17%), affiliates/partners (16%), and email (15%) were also major drivers.

**Mall madness:** Average monthly **visits to indoor malls** were up 40.3% month over month in December, per Placer.ai. Visits steadily climbed throughout the month, peaking at 55.5% over average weekly visits the week of December 26.

**The bottom line:** The holiday season wasn't a bust. Inflation may have forced retailers to discount deeper than they normally would, but it worked, encouraging consumers to spend their hard-earned cash on gifts and holiday treats.

**What lies ahead:** Returns season. As customers waded through their holiday hauls, there are bound to be some items going back to the store.

- Overall, we forecast that total retail returns will hit \$627.34 billion in 2023, a 2.2% increase from last year.
- Our analysts believe **return policies will be the key to retaining customer loyalty** this year, but it won't be easy for retailers to balance keeping costs down with an easy returns process.

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