

Worldwide, there will be a modest rebound for ecommerce and a gentle slowdown for total retail

Article

Stability and predictability have returned to the global ecommerce market after three years of uncertainty. Digital sales will increase by 8.9% this year and 9.4% next year—exactly the

same projections generated in our last forecast. Total retail sales growth will be in the mid single digits.

Ecommerce will see two years of acceleration.

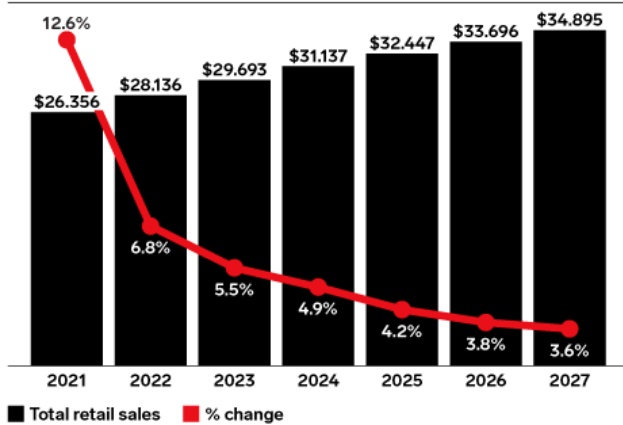
- **Last year was historically weak for ecommerce, but the outlook has brightened.** In 2022, worldwide ecommerce sales increased by 6.5%, the slowest pace since our tracking began in 2011. The high-single-digit growth rates projected for the next several years represent a nice rebound, but still pale in comparison with the 20% or higher annual growth seen throughout most of the previous decade.

Total retail is set for a return to normalcy.

- **Overall retail is in good shape for now, but a decline in growth is inevitable.** The outlook for retail sales worldwide is a little better than we anticipated it would be, so we have shifted our 2023 growth projection from 3.9% to 5.5%. This means the deceleration off 2021's and 2022's high figures will be less jarring. Growth for the next several years will be akin to rates in the decade before the pandemic, but we project a more substantial slowdown after 2025.

Total Retail Sales Worldwide, 2021-2027

trillions and % change



Note: 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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Insider Intelligence | eMarketer

- **Next year, worldwide retail sales will cross \$30 trillion.** For context, it took all of human history to reach \$15 trillion (in 2011), and it will take barely more than a dozen years to double that figure. China and the US have generated roughly half of that recent growth, but every

country and region has played a role. Inflation—always a factor in this kind of data—is a huge part of the story, even in eras of more moderate pricing pressure.

- **The revenge of brick-and-mortar was real, but it has receded.** In 2022, total retail sales grew at a faster rate than ecommerce, meaning brick-and-mortar outperformed digital on a global scale. That had never come close to happening before, and it may never happen again. Conditions were unusual over the past few years, to say the least.
- **Ecommerce is once again taking share.** After the pandemic shutdowns, enthusiasm for real-world activities buttressed in-store purchasing across 2021 and 2022, leading ecommerce penetration to slightly decline last year. Going forward, however, we anticipate ecommerce's inexorable share grab to resume, as the ecommerce growth rate will consistently exceed the total retail rate by at least a few percentage points per year.

What are the implications?

- **The trendlines are back to normal, just slower.** The worldwide outlook for total retail sales is fine by historical standards. Ecommerce growth will be low compared with the good old days, but still much better than the nadir of 2022, and several strong years await. There is much growth to be seized and money to be made, but retailers may have to recalibrate their expectations and embrace a new normal of annual increases that are “good but not great.” Meanwhile, the return of predictability will be an added boon for planners.

Report by Ethan Cramer-Flood Aug 11, 2023

Worldwide Ecommerce Forecast 2023



