

US Ecommerce Growth Jumps to More than 30%, Accelerating Online Shopping Shift by Nearly 2 Years

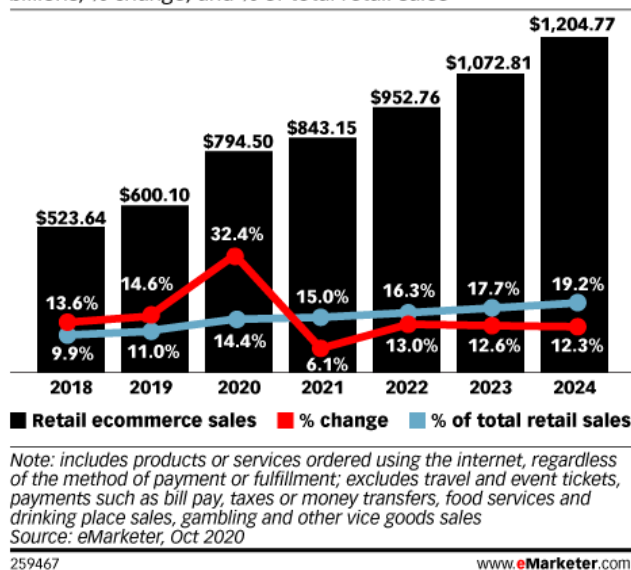
Top 10 etailers will grow market share by 5% this year, with Best Buy and Target both expected to surge more than 100%

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eMarketer Editors

The pandemic has accelerated ecommerce growth in the US this year, with online sales reaching a level not previously expected until 2022. In our Q3 US retail forecast, the top 10 retailers by ecommerce sales will tighten their grip on the retail market.

US Retail Ecommerce Sales, 2018-2024
billions, % change, and % of total retail sales



US ecommerce sales will reach \$794.50 billion this year, up 32.4% year-over-year. That’s a much higher growth rate than the 18.0% predicted in our Q2 forecast, as consumers continue to avoid stores and opt for online shopping amid the pandemic.

“We’ve seen ecommerce accelerate in ways that didn’t seem possible last spring, given the extent of the economic crisis,” said Andrew Lipsman, eMarketer principal analyst at Insider Intelligence. “While much of the shift has been led by essential categories like grocery, there has been surprising strength in discretionary categories like consumer electronics and home furnishings that benefited from pandemic-driven lifestyle needs.”

Ecommerce sales will reach 14.4% of all US retail spending this year and 19.2% by 2024. When excluding gas and auto sales (categories sold almost exclusively offline), ecommerce penetration jumps to 20.6%.

“There will be some lasting impacts from the pandemic that will fundamentally change how people shop,” said Cindy Liu, eMarketer senior forecasting analyst at Insider Intelligence. “For one, many stores, particularly department stores, may close permanently. Secondly, we believe consumer shopping behaviors will permanently change. Many consumers have either shopped online for the first time or shopped in

new categories (i.e., groceries). Both the increase in new users and frequency of purchasing will have a lasting impact on retail.”

Online shopping is so strong that it will more than offset the 3.2% decline in brick-and-mortar spending this year, which will drop to \$4.711 trillion. As a result, total retail sales in the US will remain essentially flat.

Top 10

While the entire ecommerce pie is expanding faster than expected, so too will the shares of the top 10 ecommerce players. They will further widen their gap to account for 63.2% of all online sales this year. This is up from 57.9% in 2019. Notable highlights among the top 10 include:

- **Amazon’s** share will grow to 39.0% in 2020. Despite being the biggest player by far, Amazon will also experience the largest dollar gain.
- **Walmart’s** share will reach 5.8%. Walmart displaces eBay this year as the No. 2 ecommerce player in the US.
- **Best Buy** (up 105.5%) and Target (up 103.5%) will see their ecommerce sales more than double, due in large part to the popularity of their curbside pickup offerings.
- **The Kroger Co.** displaces Macy’s as the 10th biggest retailer by ecommerce sales, even as Macy’s grows its online business.

US Top 10 Retailers, Ranked by Retail Ecommerce Sales, 2020

billions, % change, and % of total retail ecommerce sales

	Retail ecommerce sales	% change	% of total retail ecommerce sales
1. Amazon	\$309.58	39.1%	39.0%
2. Walmart	\$46.20	65.4%	5.8%
3. eBay	\$38.80	26.2%	4.9%
4. Apple	\$27.51	32.3%	3.5%
5. The Home Depot	\$16.71	71.2%	2.1%
6. Best Buy	\$15.70	105.5%	2.0%
7. Target	\$13.82	103.5%	1.7%
8. Wayfair	\$11.66	51.0%	1.5%
9. The Kroger Co.	\$11.28	79.2%	1.4%
10. Costco Wholesale	\$11.18	60.3%	1.4%

Note: represents the gross value of products or services sold via the internet (browser or app), regardless of the method of payment or fulfillment; excludes travel and event tickets

Source: eMarketer, Oct 2020

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