

Holiday Sales to Cross \$1 Trillion for First Time

eMarketer raises US holiday forecast as brick-and-mortar stays strong

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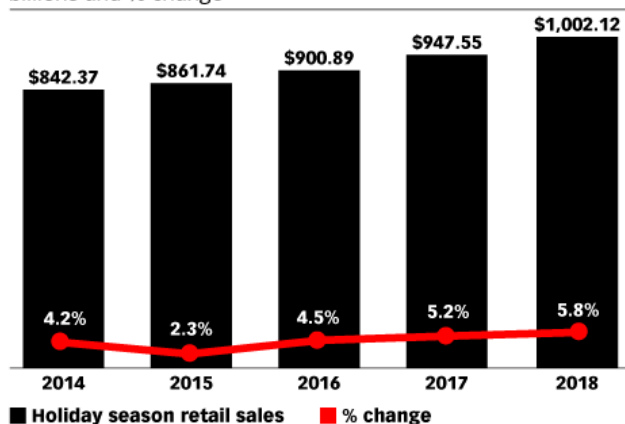
eMarketer Editors

Fueled by low unemployment, strong income growth and high consumer confidence, the holiday shopping season this year will be a strong one for retailers in the US. In its holiday retail forecast, eMarketer has raised its projections from its Q3 2018 forecast, specifically for ecommerce sales and brick-and-mortar retailers.

This holiday season (November 1-December 31), total retail sales in the US will increase 5.8% to \$1.002 trillion. This is the first time holiday sales will cross the \$1 trillion mark, and 2018 shows the strongest growth since 2011. Spending momentum will get an added boost from a favorable holiday calendar that features the maximum 32 days between Thanksgiving and Christmas.

US Holiday Season Retail Sales, 2014-2018

billions and % change



Note: excludes travel and event tickets, payments such as bill pay, taxes or money transfers, food services and drinking place sales, gambling and other vice good sales; sales are for Nov and Dec of each year
Source: eMarketer, Oct 2018

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Although some economic headwinds are finally beginning to form after mostly blue skies in 2018, we expect their effects to be muted until after the holidays. Retailers have built up inventories for products affected by tariffs on imports from China and are not expected to pass on notable price increases to consumers until 2019.

Brick-and-mortar sales for the 2018 holiday season will jump 4.4% to \$878.38 billion (higher than the \$863 billion projected in Q3). Brick-and-mortar still represents the majority (87.7%) of holiday sales, but its share has steadily declined.

“While ecommerce will continue to see strong double-digit gains, brick-and-mortar retail should be a particular bright spot this holiday season,” said Andrew Lipsman, principal analyst at eMarketer. “Not every brick-and-mortar retailer is thriving, and several have shut their doors this year, but others are really capitalizing on the strong consumer economy. Retailers are luring in shoppers with remodeled stores, streamlined checkout and options to buy online, pick up in-store.”

Ecommerce sales this holiday season will increase 16.6% to \$123.73 billion. That means ecommerce will represent 12.3% of all holiday retail sales this year, a figure that has been growing steadily.

US Holiday Ecommerce Sales, 2014-2018

billions, % change and % of holiday retail sales



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 good sales; sales are for Nov and Dec of each year
Source: eMarketer, Oct 2018

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“For retailers, it will be a battle for ecommerce market share,” said eMarketer forecasting analyst Cindy Liu. “We should expect more promotions and perks like free and fast shipping, as retailers compete against Amazon.”

Holiday mcommerce (sales via tablets and smartphones) is also growing, representing 43.8% of ecommerce this year. That equates to 5.4% of total holiday sales.

Interested in more on holiday sales? eMarketer PRO subscribers can access the full [Holiday 2018 Forecast Update](#) here.

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