

# A look back on some 2023 retail predictions

Article



In January, the **Retail Daily newsletter editors made four retail predictions** for 2023. Some we got right (like the proliferation of Amazon Prime Day-type events) while some we missed the mark on a bit (it was not the year of AR).

Let's take a look at how we did.

**Prediction: Expect more Prime Day-type events from Amazon and other retailers**

**Outcome: Correct**

Amazon hosted two Prime Day events this year—**one in July**, when Prime Day has traditionally occurred, and **one in October**.

But Amazon wasn't the only retailer cashing in on sales events in 2023.

- **Walmart, Target, Best Buy, and other retailers** created their own sales events in response, all trying to score their share of consumer spending.
- Over half (55%) of Prime Day shoppers **checked prices at competing retailers** before finalizing their purchases on Amazon, per Numerator.
- Many consumers also shopped or planned to shop competing sales events by Walmart (31%) and Target (25%).

**The 2024 takeaway:** The impact of these sales events extends beyond July and October.

By creating two points in the year that consumers know they can get deep discounts, Amazon Prime Day and the like are encouraging consumers to shop at specific times—which, especially in the case of October's event, could be **stealing share from other major shopping holidays** like Black Friday and Cyber Monday.

**Prediction: In-store shopping is back, but it's changing**

**Outcome: Correct**

Brick-and-mortar sales growth has slowed from its post-pandemic boom, but non-ecommerce retail sales still made up 84.4% of total US retail sales in 2023, per our forecast.

To keep consumers shopping in-store, a handful of retailers began revamping their physical locations to create a more engaging in-store experience.

- **Reimagined H&M and Zara locations** will feature services like beauty salons, repairs, and coffee shops, while also integrating with apps that allow shoppers to search the storeroom on their phones, according to The Wall Street Journal.
- **Amazon is also revamping its Amazon Fresh** stores to have a better selection and stock, with a “warmer, brighter, and more inviting space.”
- **The Container Store creates a “happy place”** for customers by enabling shoppers to use their mobile devices to access product information or even check out.

**The 2024 takeaway:** Despite brick-and-mortar sales growth hovering at around 2% through 2027, per our forecast, many retailers are realizing the power of physical retail lies in discovery.

“Digital has had a massive influence on product discovery, but no single online channel has replaced the physical store,” wrote our analyst Blake Drosch in our [Path to Purchase 2023](#) report.

### **Prediction: Resale is ripe for explosive growth**

#### **Outcome: A mixed bag**

This year, brands from [Kate Spade](#) and [H&M](#) to [The Container Store](#) and [Carhartt](#) built out resale platforms or services as consumers looked for sustainable, cost-effective options.

However, total US resale volume actually decreased 0.8% this year, totaling \$105.18 billion, according to our forecast.

- Non-ecommerce resale volume grew 4.3%, but ecommerce resale took a hit, declining 2.5%.
- Fashion online resale platform sales from companies like The RealReal and thredUP grew 1.5% this year to reach \$13.10 billion, per our forecast.

**The 2024 takeaway:** There’s momentum around resale, particularly in fashion, but it may take a while for that to equate to sales growth. We forecast total resale volume will return to growth in 2024, rising 3.3% to reach \$108.64 billion.

### **Prediction: 2023 is the year of AR**

#### **Outcome: Incorrect**

While the number of AR users increased 7.2% in 2023 to reach 90.0 million consumers, per our March 2023 forecast, it hasn’t hit the retail mainstream.

- Only 22% of CMOs worldwide are [using AR for a great brand experience](#), according to a May 2023 survey by Dentsu Creative.
- While 45% of US adults are either somewhat or very [interested in AR](#), slightly more (47%) are not too or not at all interested, according to a January 2023 survey by Morning Consult.

Still, there were a few AR developments that took place in 2023.

- **Snapchat partnered with ChatGPT** to test AI-powered features that allow developers to create AR lenses.
- Walmart began testing a feature that **combines AI and AR** to give customers personalized room design assistance based on their budget, theme, and other preferences.
- **TikTok rolled out its AR development platform**, Effect House, which allows creators to design AR elements.

**The 2024 takeaway:** AR may not have become an essential tool for retailers this year, but there's still potential for it to change how consumers shop and buy. At the moment, however, it seems relegated to more entertainment-type uses on social media rather than something that powers commerce.

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