

Exclusive: 42% of online retailers plan to boost their technology investments this year

Article

The survey results: Over two-fifths (42%) of ecommerce executives expect to aggressively spend on their businesses this year by adding staff, boosting their marketing budgets, and

investing in technology and infrastructure upgrades, per a survey conducted on behalf of CommerceNext exclusively shared with Insider Intelligence.

- That share jumps to 50% among smaller companies with less than \$50 million in annual online revenues.

The context: Those aggressive growth plans come on the heels of a [strong close to 2023](#). Core retail sales during the holiday season rose 3.8% year-over-year (YoY), per NRF analysis of US Commerce Department data, and **online and nonstore sales rose 8.2% YoY**.

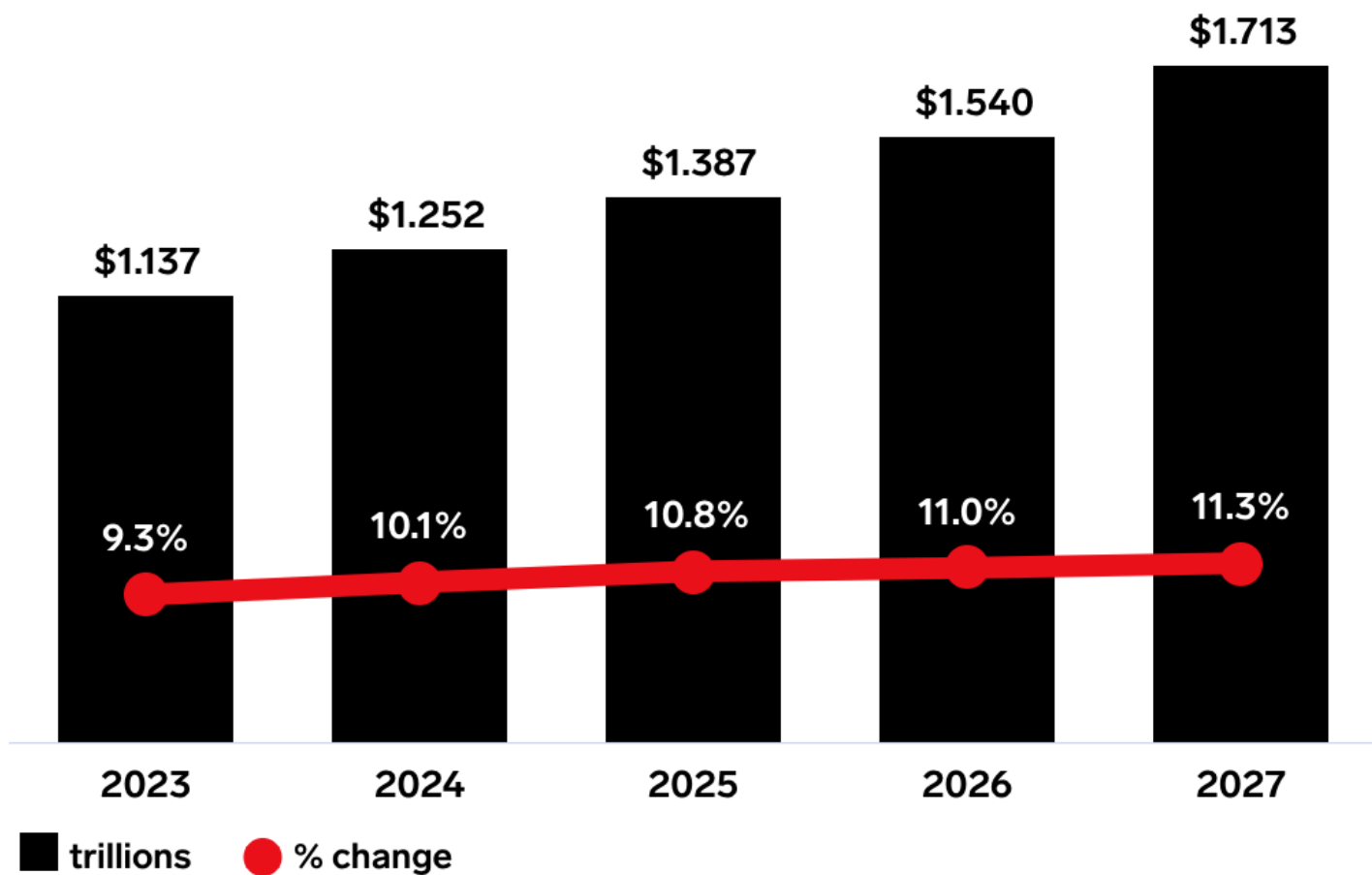
- Nearly three in 10 survey respondents (29%) say their Q4 online sales were up over 10% YoY.
- That helps explain why 57% feel positive about their prospects for this year, including one-fifth (20%) of whom feel “very positive.”

The big takeaway: Retailers’ investment plans are notable given that many companies pulled back on that type of spending over the past year as interest rates shot up.

- But with inflation waning, many expect the US Federal Reserve to cut rates this year. Goldman Sachs economists, for example, expect five cuts this year.
- With consumers feeling increasingly positive about the economy, and their spending power on the rise, there’s good reason for optimism about the year ahead.
- That’s why our [US retail commerce sales forecast](#) expects ecommerce sales to rise 10.1% **this year**, and overall retail sales to increase 3.3%.

Retail Ecommerce Sales

US, 2023-2027



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, restaurant sales, food services and drinking place sales, gambling and other vice goods sales

Source: Insider Intelligence | eMarketer, November 2023

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