



PR Contacts

Jane Vaden
Adobe
jvaden@adobe.com

Kevin Fu
Adobe
kfu@adobe.com

Media Alert: Adobe: E-commerce Spend Grows to \$331.6 billion, as Consumers Trade Down to Cheaper Goods Online

- Adobe Analytics data showed resilient e-commerce growth in the first four months of 2024, rising 7% year-over-year to \$331.6 billion
- Consumers have been trading down to cheaper goods, across major e-commerce categories including personal care, electronics, apparel, furniture and groceries
- Buy Now Pay Later expected to drive over \$81 billion in online spend in 2024, setting a new record as shoppers embrace more flexible ways to manage their budgets

SAN JOSE, Calif. — May 9, 2024 — Today, Adobe (Nasdaq:ADBE) released online shopping data for the first four months of 2024, covering the period from Jan. 1 to Apr. 30, 2024. Based on [Adobe Analytics](#) data, the report provides the most comprehensive view into U.S. e-commerce by analyzing commerce transactions online, covering over one trillion visits to U.S. retail sites, 100 million SKUs and 18 product categories. Adobe Analytics is part of Adobe Experience Cloud, relied upon by over 85% of the top 100 internet retailers in the U.S.* to deliver, measure and personalize shopping experiences online.

E-commerce growth remains resilient

Consumers spent **\$331.6 billion** online from Jan. 1 to Apr. 30, 2024, **up 7%** year-over-year (YoY). The growth has been supported by stable spend in discretionary categories including electronics and apparel, along with a continued surge in grocery shopping online. Adobe expects the first half of 2024 to drive over \$500 billion in spend online, representing 6.8% YoY growth.

In the first four months of the year, consumers spent \$61.8 billion online for electronics (up 3.1% YoY) and \$52.5 billion for apparel (up 2.6% YoY). Despite the modest YoY uptick, both categories account for 34.5% of overall e-commerce spend and helped maintain topline growth. This was further bolstered by groceries, which drove \$38.8 billion online and rose significantly at 15.7% YoY growth.

Another rising category online has been cosmetics, which Adobe is profiling for the first time; the category drove \$35 billion in online spend in 2023, with YoY growth at 15.6%. The upward trend has continued, with consumers spending \$13.2 billion online for cosmetics in 2024 thus far, up 8% YoY.

“In an unpredictable economic environment, the latest data from Adobe Analytics shows continued resilience in the digital economy, as consumers embrace new categories online,” said Vivek Pandya, lead analyst, Adobe Digital Insights. “Groceries is a standout, and Adobe expects that in the next three years, the category will be a dominant force in e-commerce that is on par with electronics and apparel in revenue share.”

Consumers are trading down to cheaper goods online

Months of persistent inflation has led shoppers to embrace cheaper goods across major e-commerce categories. For each category tracked by Adobe, prices were separated into four quartiles from the highest to lowest prices. Shares of units sold in the most expensive and least expensive quartiles were then tracked from January 2019 to April 2024.

Adobe found the share of the cheapest goods increased significantly across categories including personal care (up 96%), electronics (up 64%), apparel (up 47%), home/garden (up 42%), furniture/bedding (up 42%), and grocery (up 33%). On the other hand, the share of cheapest goods increased less dramatically in sporting goods (up 28%), appliances (up 26%), tools/home improvement (up 26%) and toys (up 25%)—categories bolstered by brand loyalty or a stronger desire for consumers to invest in products of the highest quality.

Adobe also put a finer point on revenue impact: Within a category like groceries, the data showed that goods with low inflation saw revenue grow by 13.4%, while products with high inflation saw revenue drop by 15.6%. The effect was less pronounced in a category such as cosmetics (revenue up 3.06% for low-inflation goods, down only 0.34% for high-inflation goods), as consumers exhibit stronger loyalty for their favorite brands.

Buy Now Pay Later growth continues

Consumers have continued to embrace Buy Now Pay Later (BNPL) for greater flexibility in managing their budgets. From January to April 2024, \$25.9 billion of e-commerce spend was driven by BNPL, up a notable 11.8% from the same period last year. Adobe expects strong growth through the remainder of year, with BNPL set to drive between \$81 billion and \$84.8 billion in 2024, putting YoY growth between 8% and 13%.

Additional Adobe Analytics Insights

- **Online shopping becoming mobile-first.** In the 2023 holiday shopping season, revenue share from mobile surpassed desktop for the first time at 51% (peaking on Christmas Day at 61%). The trend is expected to continue in 2024; in the first four months of 2024, mobile drove \$156.9 billion in online spend, up an impressive 9.8% YoY. In the next holiday season (Nov. - Dec. 2024), Adobe expects mobile to overtake desktop again at 52.5% share of revenue online.
- **Retailers' marketing investments:** Across major marketing channels, paid search remained the biggest driver of sales for retailers so far this year (28.2% of online sales attributable to that channel). Direct web visits (19.6%), affiliates/partners (17.1%), organic search (15.9%) and email (15.4%) were also major contributors. Revenue directly attributable to social media remained at less than 5% of total sales, but that share has grown at 5.2% YoY. On the other hand, organic search has declined by 5.6% YoY, currently driving 15.9% of total sales.

Impact of inflation

Strong consumer spending this year has been driven by net-new demand, as opposed to higher prices. The Adobe [Digital Price Index](#), which tracks online prices across 18 product categories (complements the Bureau of

Labor Statistics' Consumer Price Index, which also includes prices for offline only products and services such as gasoline and rent) shows that e-commerce prices have fallen for over a year now (down 5.6% YoY in April 2024). Adobe's numbers are not adjusted for inflation, but if online inflation were factored in, there would be even higher growth in topline consumer spend.

About Adobe

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**Per the Digital Commerce 360 Top 500 report (2021)*

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