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Media Alert

Adobe: UK Online Spending Jumped 7% in February to £8.4 Billion, Reflecting Increase in Buy Now Pay Later Use and 3.7% Rise in Food Prices

- **Total UK online consumer spending increased by 7% month-on-month in February 2023, fueled in part by a 3.7% increase in online food prices as shortages hit supermarkets**
- **Buy Now Pay Later services were used in 14% of February online orders, up from 12% in January**
- **Shoppers spent £5.1bn using mobile devices, representing over 60% of online purchases – a 9.9% year-on-year increase**

LONDON, UK — 9th March, 2023 – Today, Adobe (Nasdaq:ADBE) released UK online retail insights for February 2023. Based on Adobe Analytics data, the report covers tens of billions of visits to UK retail sites, 100 million SKUs, and 18 product categories, analysing sales transactions online to provide the most comprehensive view into UK e-commerce. Adobe Analytics is part of Adobe Experience Cloud, relied upon by major retailers to deliver, measure, and personalise shopping experiences online.

February's data shows that UK consumers spent £8.4 billion online, representing a 7% increase from January figures. Spending was pushed higher by a 3.7% monthly increase in online food prices, reflecting shortages seen in UK supermarkets towards the end of the month. Compared with February 2022, prior to the economic squeeze caused by the cost-of-living crisis, total online spending decreased by 7.4%.

Adobe Analytics also identified a further increase in the use of Buy Now Pay Later (BNPL) services, as consumers continued to spread the cost of purchases. BNPL was used in 14% of online purchases in February, up from 12% in January 2023 and 11% in February 2022.

In addition to using BNPL more frequently, consumers are also spending more using these services, with 4% higher average online BNPL purchase values in January and February 2023 compared with the same period last year. Steady increases in BNPL use have led the UK Government to consult on draft legislation that will bring these services into Financial Conduct Authority regulation, offering greater protection for the growing number of consumers who use them.

The digital economy and e-commerce have both experienced significant long-term growth. Last month consumers spent 34.8% more on online purchases compared to February 2020, representing a 10.5% annualised growth rate over the last three years.

"The resilience of the digital economy is a positive sign for UK businesses and for consumers, who are increasingly turning to their mobile devices to shop quickly and conveniently on the move," said Suzanne Steele, Vice President and Managing Director for Adobe in the UK. "However, further increases in the use of Buy Now Pay Later services suggests that the effects of high inflation and rising bills are hitting consumers hard, causing them to turn to unsecured credit facilities to manage the increasing costs of purchases."

Additional Adobe Analytics Insights

- **Mobile Shopping:** Mobile was the most popular online shopping channel in February, with 60.4% of purchases taking place on smartphones – a 9.9% YoY increase in share. Overall, consumers spent £5.1 billion with their mobile devices in the second month of the year.

- **Click and Collect**: This fulfilment method was used in 8.9% of February online orders in February (for retailers who offer the service), up from 8.2% in January.

- **Online Valentines:** Products such as shoulder bags, cashmere jumpers, candlesticks, men's blazers and suits, women's dresses and flowers were popular as consumer prepared for Valentine's Day. Demand for home goods was also high as products including lamps, area rugs, desks and bedding saw increased momentum.

Methodology

Adobe provides the most comprehensive view into UK e-commerce by analysing direct consumer transactions online. The analysis covers tens of billions of visits to UK retail sites, 100 million SKUs and 18 product categories — more than any other technology company or research organization. Adobe Analytics is part of Adobe Experience Cloud, which major retailers rely upon to deliver, measure, and personalise shopping experiences online.

February 2023 data covers the period from February 1st 2023 to February 28th 2023.

About Adobe

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