Adobe Forecasts Festive Online Spending Will Hit Record £25.9bn as Shoppers Prioritise Price and Value

- UK shoppers are forecast to spend a record of £25.9bn online during the holiday season (November-December), £300m more than the previous record set in 2020, and up 6.1% over the 2023 holiday season
- Black Friday (£1.13bn) and Cyber Monday (£940m) will again be the highest online spending days of the year, up 9% and 6.7% year-over-year respectively, as increasingly price-aware shoppers look for maximum value
- Traffic to retail sites from Generative AI sources jumps tenfold between July and September as shoppers turn to new channels for gift inspiration, recommendations and the best deals

LONDON, U.K. – November 7, 2024 – Today, Adobe released the findings of its 2024 UK holiday online spending forecast covering the period from Nov. 1 through Dec. 31, 2024. Based on Adobe Analytics data, the report provides the most comprehensive view into the U.K. digital economy by analysing hundreds of billions visits to of U.K. online retail sites and tracking 100 million SKUs in 18 product categories.

2024 Will be a Record Year for Online Holiday Spending as Consumers Remain Price-Sensitive and Value-Focused
Adobe's forecast expects UK shoppers to spend a record of £25.9bn during the holiday season, breaking the previous record set during the height of the COVID-19 pandemic in 2020 by £300m, and 6.1% higher than the same period in 2023. Black Friday (£1.13bn) and Cyber Monday (£940m) will again be the highest spending days of the year, up 9% and 6.7% year-over-year (YoY) respectively, as shoppers plan their spending around major discounting events to get as much value as possible.

"While UK shoppers are spending more freely this holiday season, it's clear that consumers are still observing the more cautious, value and price conscious habits that emerged during periods of high costs-of-living over the past 18 months," says Vivek Pandya, lead analyst, Adobe Digital Insights at Adobe. *"Deal-hungry shoppers will again concentrate their spending over the Black Friday and Cyber Monday weekend as they take advantage of the deep discounts on offer across all retail categories to stretch their budgets as far as possible."*

Despite easing inflation and improvements to the economic environment, more cautious shopping habits established during the cost-of-living crisis persist. Adobe's data reveals that while consumers are spending more, they are increasingly price-conscious and are committed to getting as much value for money as possible.

From January to October 2024, spending on the most expensive quartile of goods decreased by 21% compared with the same period in 2021. Even during the holiday period, spending on the most expensive quartile of goods is stronger, but still 5% lower than the same period in 2021.

Britons are also pulling back on excess spending in order to maximise value for money. The share of orders making use of expedited shipping is expected to fall by 23.8% this holiday season, with

shoppers opting instead for cheaper and often free standard delivery options (up 3.9% YoY) or click-and-collect (up 12.3% YoY).

Buy Now Pay Later to Hit Record Usage This Holiday Season
While Britons are spending more freely this holiday season, consumers are also looking to manage their personal finances through increased utilisation of short-term interest free credit from Buy Now Pay Later services to spread the cost of payments and take full advantage of limited-time discounts and flash sales when they land.

A record £3.4 billion is expected to be spent using Buy Now Pay Later services this holiday season, up 8.3% YoY, with £152.3 million expected to be spent on Cyber Monday, making it the largest ever single day for Buy Now Pay Later usage, up £4.3 million on last year's Cyber Monday.

Brits Turn to Generative AI for Help with Holiday Shopping as Traffic to Retail Sites Increases Tenfold
Traffic referred to retail sites from Generative AI sources has skyrocketed this year, with momentum building rapidly as the holiday season approaches. After maintaining steady volumes earlier in the year, GenAI referrals to retail sites have increased tenfold between July and September 2024. Given this rapid momentum, referrals from GenAI sites are projected to rise even further throughout the holiday season as shoppers look to new channels for holiday gift inspiration, recommendations and finding the best price for the items they want.

Stronger Seasonal Discounts than 2023 Expected Across Major Categories
The good news for shoppers is that retailers are expected to lower prices across all major categories. Seasonal discounts are projected in the range of 6% to 24%, reaching their strongest levels between Black Friday and Cyber Monday and on Boxing Day.

The top categories for discounts include computers (-24%), televisions (-22%), apparel (-18%), toys (-17%) and personal care products (-17%). Discounts for apparel, televisions, toys, computers and appliances are forecast to be deeper this year compared with 2023 by 2% - 3%.

The forecast also predicts the days where discounts for product categories will be the largest. Discounts on toys and personal care products are expected to be deepest on Black Friday (November 29), computers and apparel will see the deepest discounts on the Saturday of Cyber Weekend (November 30), and discounts on televisions will be deepest on Cyber Monday (December 2).

This year's most in-demand products include perennial favourites such as smartphones, LEGO, Jellycat stuffed animals and games consoles, as well as some new additions for 2024 including slime kits, the MGA Miniverse Diner, Bitzee interactive toys and smart rings.

Additional Adobe Analytics Insights

Shoppers Will Be More Intentional This Holiday Season As Organic Search Overtakes Paid Search As The Top Referral Source
Across major marketing channels, both direct traffic and organic search are expected to grow significantly during the holiday period, while paid search traffic will decline, suggesting consumers are being more intentional about their online shopping.

- **Direct Traffic** is forecast to grow by 30%-32% year-over-year, suggesting that consumers have a clear idea of what they want to purchase and where to get it from and wait for the best price before acting.
- **Affiliates and Partners** (which includes social media influencers) are projected to see a year-over-year growth of 4%-6%, maintaining steady momentum through the holidays.
- **Natural Search** revenue share is expected to rise between 20% and 22% year-over-year.
- **Paid Search** revenue share is expected to decrease by 13% - 15% year-over-year, continuing its decline from 2023 reflective of the uplift in alternative traffic sources and more specific search behaviour from consumers.
- While **social traffic** remains below 5% across the season, it will spike around Black Friday, increasing by 50% to 55% above the 2024 average, as retailers seek to entice customers to shop with them during the biggest spending day of the year.

2024 Will Be The Biggest Year Ever For Mobile Shopping
- £14.6bn will be spent via mobile this holiday season (Nov-Dec), representing 8.4% growth over last years' £13.5bn.
- Mobile revenue share during the holiday season is forecast to be 56.3% of online spend increasing from 55.2% over the same period in 2023.

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