

Forecast e-commerce growth in percentage of online retail / e-commerce sales 2017 to 2023

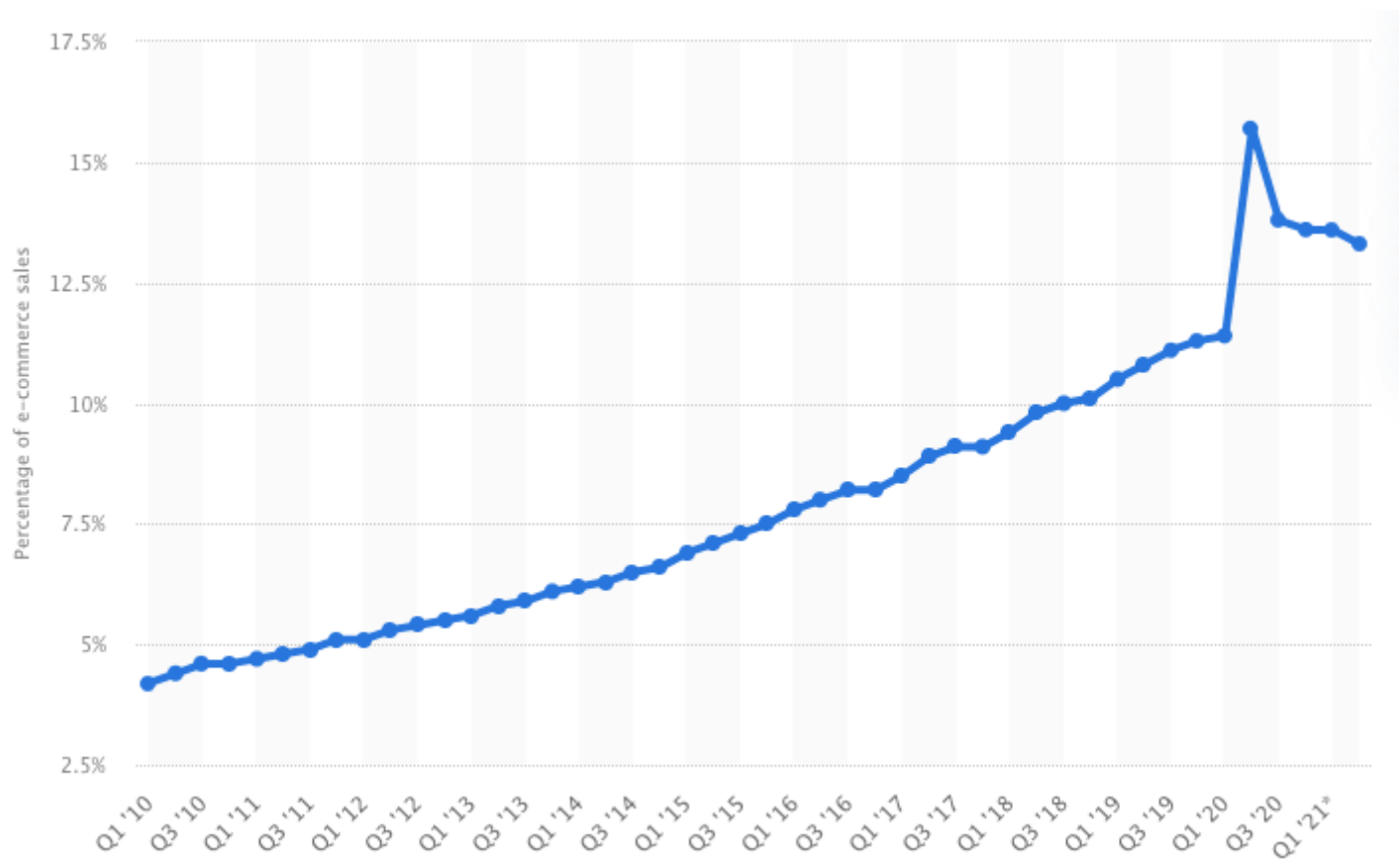


By [Dave Chaffey](#) 01 Nov, 2021

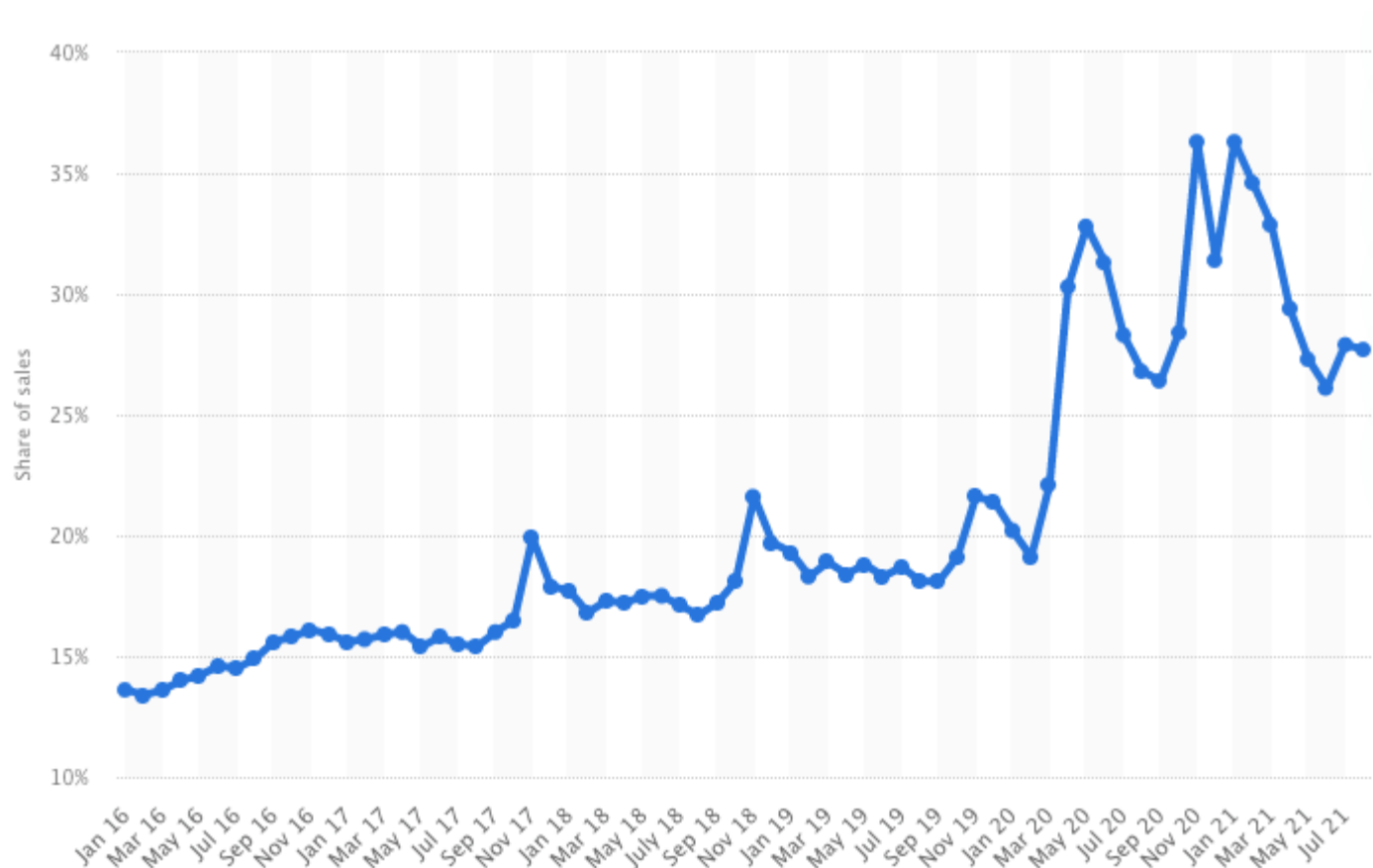
E-commerce 2022: The latest data and forecasts for all things online retail growth

It's interesting to look back at e-commerce growth over the last few years and think forward to the future of this industry. As demonstrated by these charts from Statistica, the overall [percentage of e-commerce retail sales](#) in the US shot up in Quarter 2 of 2020, accounting for 16% of sales in the US in Q2 2020.

The market share of e-commerce within US retail sales now looks to be settling around 13-14% between Q3 2020 - Q2 2021. This constitutes a much larger share than previously to the pandemic, showing that some of the rapid changes to buyer behaviour have remained, and we expect to see that continue.



Equally, we have watched the overall percentage of e-commerce retail sales in the UK rising to [over a third of all retail in the UK in November 2020 and January 2021](#). It has since decreased slightly, but it will be interesting to follow this trend in the run up to the 2022 holiday season, and into next year.

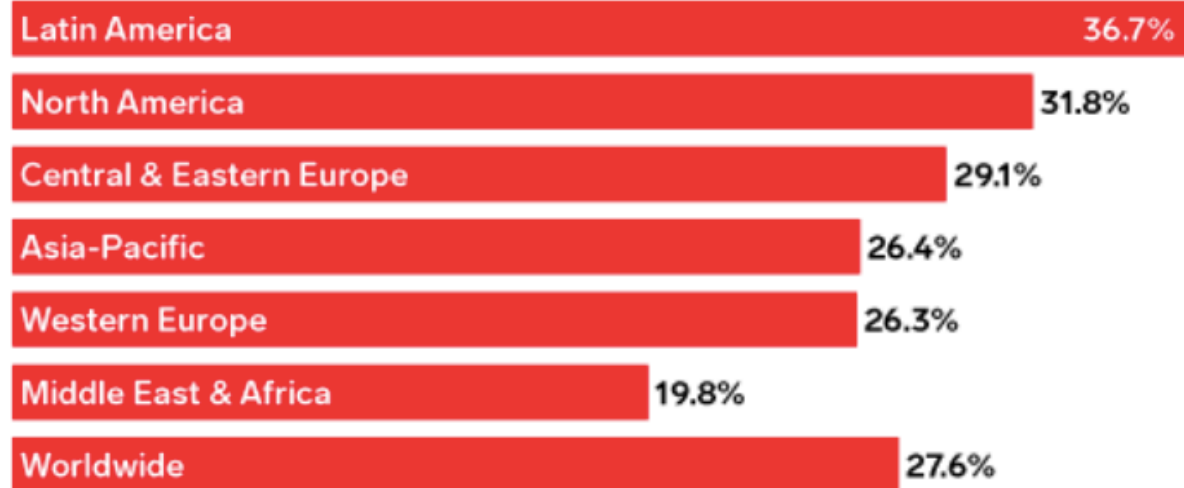


Worldwide E-commerce by region 2021

The chart below from [eMarketer's 2021 global e-commerce report](#) breaks down regional e-commerce growth last year. Leading the way, Latin America grew 36.7%. We saw less growth in the Middle East & Africa, 19.8%, but this is still a commendable growth rate.

Retail Ecommerce Sales Growth Worldwide, by Region, 2020

% change



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, food services and drinking place sales, gambling and other vice goods sales
Source: eMarketer, Dec 2, 2020

E-commerce sector growth: Which sectors have the largest share of total sales?

As we can see in the chart which depicts the state of play for UK online retail sectors in September 2021, non-store retailers constitute a large section of e-commerce sales. 84.4% e-commerce for this sector is actually a few % down YOY, but still the lion's share of e-commerce sales this month.

These sellers have been geared up from the start for the socially distanced retailing model now crucial to so many businesses. On the other hand, department stores, now selling 28.1% online have seen a drop of 15.3% YOY. It's interesting to see that textile, clothing, and footwear stores are enjoying nearly a third of all online purchases, up 5-9% YOY in September 2021.

Table 2: Summary of internet statistics, September 2021
Value, seasonally adjusted, percentage rates, Great Britain

Category	Online sales as a proportion of retail in this sector	Online sales: Most recent month on a year earlier	Online sales: Most recent month on previous month	Index categories and their percentage weights
All retailing*	28.1	-2.3	0.5	100.0
All food	10.6	2.1	0.2	14.7
All non-food	24.9	-2.6	-1.3	37.3
Department stores	28.1	-15.3	3.8	9.1
Textile, clothing and footwear stores	27.7	5.9	-1.9	10.3
Household goods stores	24.8	-0.9	-3.6	7.8
Other stores	20.7	-1.3	-2.4	10.1
Non-store retailing	84.4	-3.5	2.0	48.0

Source: Office for National Statistics – Monthly Business Survey – Retail Sales Inquiry

The changing nature of e-commerce and growth

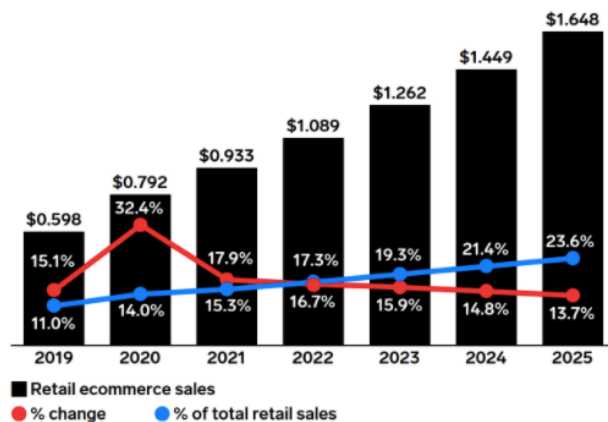
The global recession and recovery provide opportunities for marketers to refresh their omnichannel customer experiences to win more customers. The following is taken from [eMarketer's 2021 forecast](#):

"After a tumultuous 2020, retail sales will see a bump in 2021 as the economy reopens and consumers are ready to spend. Both brick-and-mortar and online sales will benefit from pent-up consumer demand, with in-store growing 6.3% and ecommerce growing 17.9%."

Furthermore, the forecast predicts that retail e-commerce sales in the US will grow to 23.6% of all sales by 2025, a change of 13.7% YOY, amounting to a total of US \$1.648 in sales, the highest prediction yet.

This projection shows the growth in digital buyers. The declining percentage change shows that growth rates for e-commerce are declining, although they are still positive.

Retail Ecommerce Sales in the US, 2019-2025
trillions, % change, and % of total retail sales



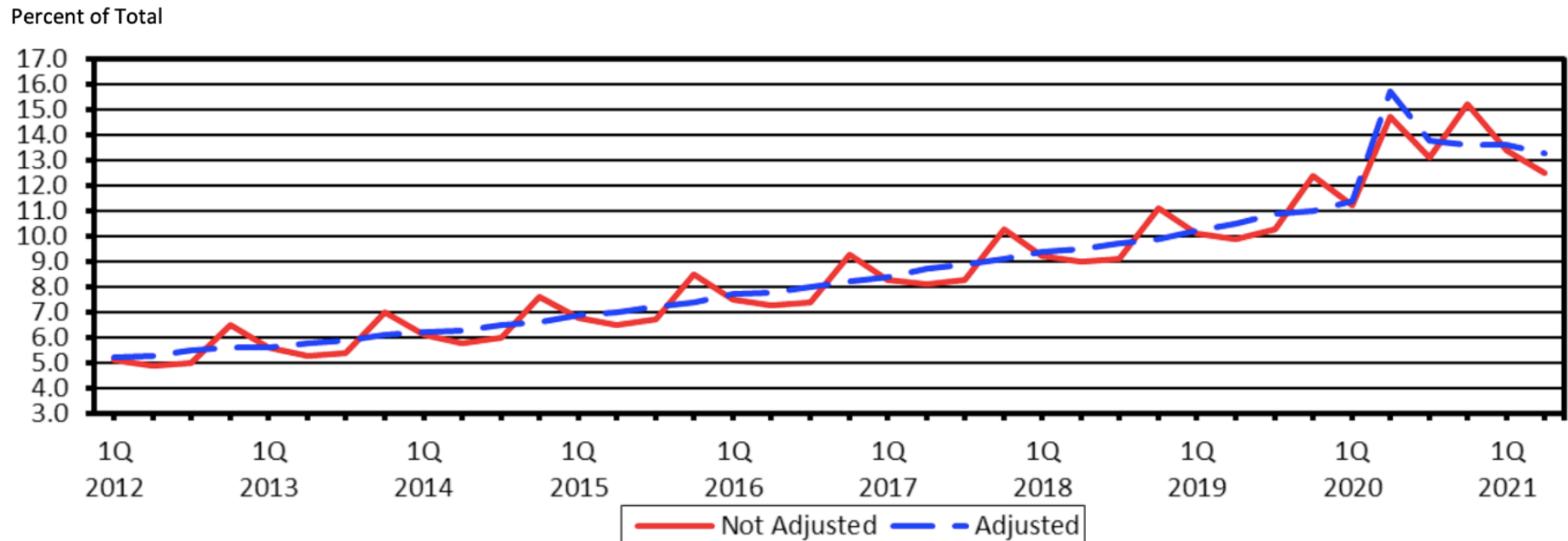
Note: 2019-2025 CAGR=18.4%; includes products or services ordered using the internet, regardless of the method of payment or fulfillment; excludes travel and event tickets, payments such as bill pay, taxes, or money transfers, food services and drinking place sales, gambling, and other vice goods sales
Source: eMarketer, May 2021

US E-commerce sales 2021

The US Government has been cataloging the [trend of percentage of e-commerce](#) sales for many years. The overall percentage of sales is not as high as might be expected.

In the 1st quarter of 2021, US E-commerce sales made up 12-13% of total sales

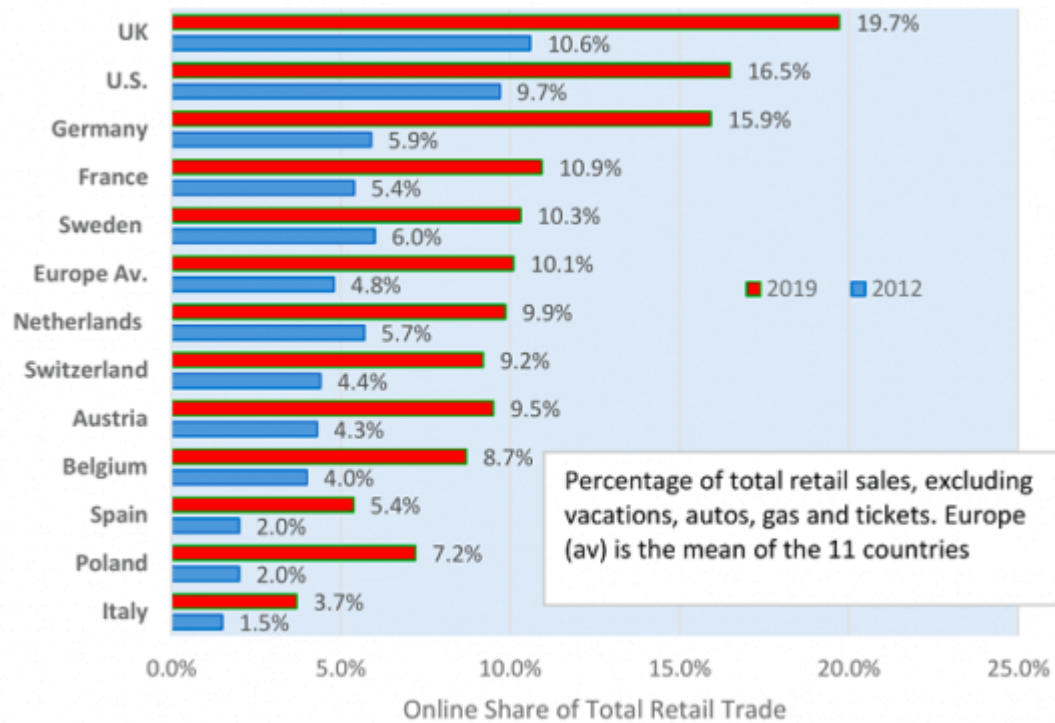
**Estimated Quarterly U.S. Retail E-commerce Sales as a Percent of Total Quarterly Retail Sales:
1st Quarter 2012 – 2nd Quarter 2021**



Note that the U.S. Census data counts cooked food, auto sales/repair, and vehicle fuel as part of retail, which understates the U.S. online share of retail compared to European estimates which exclude these. E-commerce growth in 2021 was, naturally, an international phenomenon.

Centre for Retail Research

The [Online Retailing: Britain, Europe, US and Canada research 2020 report](#) from the Centre for Retail Research shows that the retail online retail sector is the main driver of growth in European and North American retailing.



UK IMRG data for e-commerce growth

The [IMRG-Cap Gemini Index](#) is only available for members who include the largest UK E-commerce and multichannel brands. It's useful for seeing sector-specific trends. Their most recent update, for example, shows these levels of growth:

- UK online retail sales in October 2019 reported year-on-year growth of +6.3%
- Month-on-month performance reported +6.4%
- Excluding travel and ticketing retailers, the market growth was a healthy +9.2% year-on-year
- Home was the top performer with +13.6% YoY growth
- Menswear and Womenswear struggled during October with negative growth