



Adobe Digital Economy Index

Adobe Analytics | UK August 2021



Methodology

*The Adobe Digital Economy Index offers the **most comprehensive set of insights** of its kind, based on analysis via Adobe Analytics that covers tens of billions of transactions to UK retail sites.*

*Analysis is significantly **more in-depth and precise** compared to survey-based reports, because only Adobe has access to this volume of real-time, transactional consumer data. It is aggregated and anonymized, to provide insights on consumer spending, online prices and 12 product categories.*

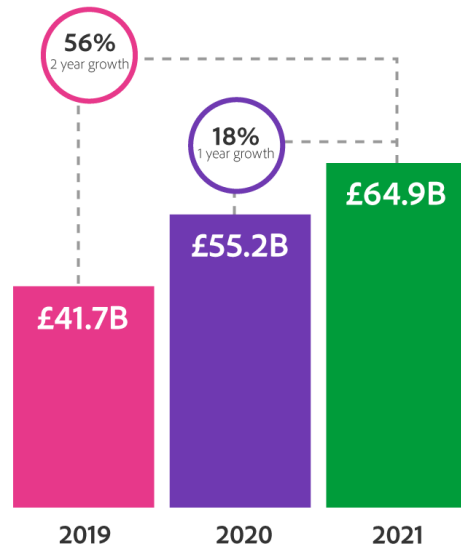
Companion research based on a survey of 1,000 UK consumers (18 years or older) fielded between 26 July and 1 August 2021.

KEY FINDINGS

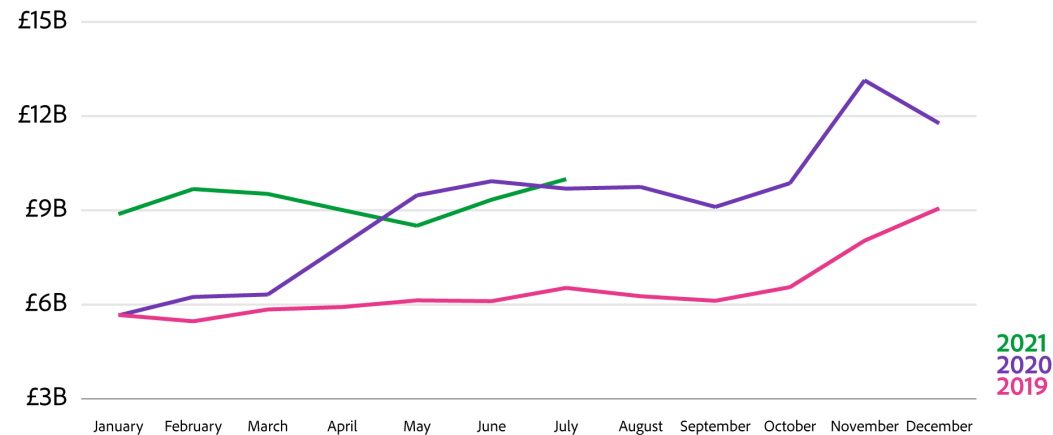
- *Online spending in July remained heightened despite re-openings and "freedom day" (July 19, 2021).*
- *Given the state of online demand, overall online inflation is up, and being driven by grocery, home & garden, books, and other categories.*
- *Returning to the office has spiked sales for office clothing, however, casual-wear and smart-casual clothing remains in high demand, also.*
- *While the recent heatwave brought a staggering surge in products to help manage the higher temperatures, product purchases swung sharply as floods began impacting the country.*
- *Volatility associated with the pandemic has prompted some travelers to stay local, lifting online spend on camping gear and swimwear.*

Online spend momentum ticks up in July, despite re-openings

- July generated £10.0 billion pounds in online spend, growing 3% YoY and producing 2-year growth of 53%
- Year-to-date online spending increased to £64.9 billion pounds, up 18% over 2020, and 56% over 2019. Impact from COVID & the delta variant clearly has kept UK spending on an accelerated trajectory this year.
- 35% of consumers say that over the past 4 weeks they are spending more online than they did before.*



UK Online Retail Spend | Digital Economy Index (Jan - July)
Source: Adobe Analytics

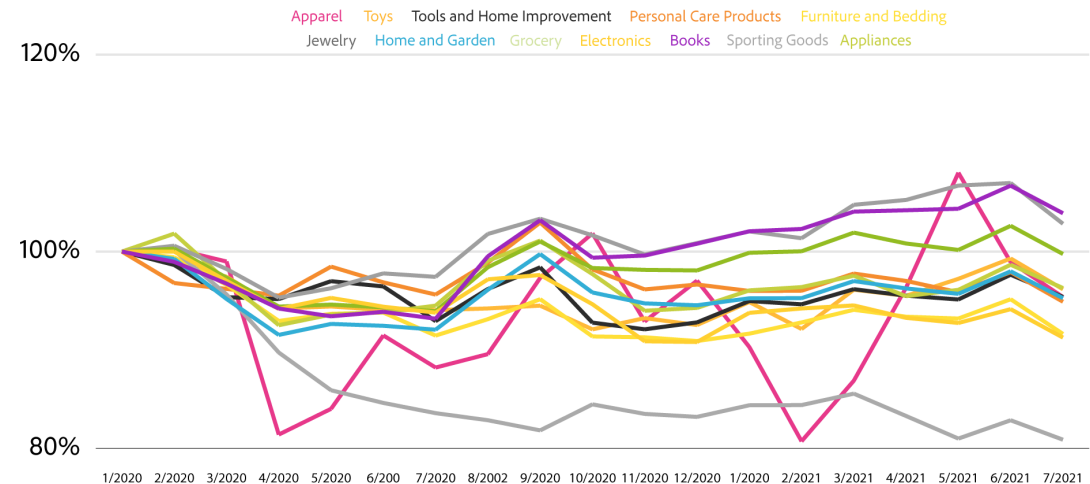
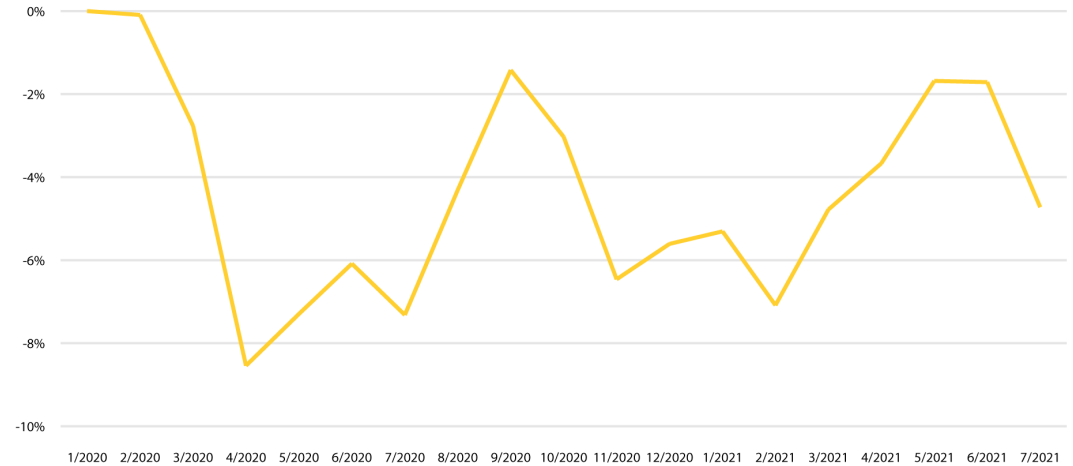


Monthly UK Online Retail Spend | Digital Economy Index
Source: Adobe Analytics

Online inflation is on the rise in the UK

- Online inflation for the UK was up 2.8% YoY in July
- Groceries (+3% YoY), home & garden (+1.7%YoY), books (+5.5% YoY), apparel (+3.8% YoY) and jewellery (+2.7% YoY) have contributed to the online inflation observed this month.
- Even though these categories are a bit pricier, consumers have advised that their experience purchasing them online is still satisfying (books 93%, grocery & jewelry 89%)*
- Now that COVID restrictions have lifted in the UK, many consumers plan to still purchase groceries online, 35% on a weekly basis and 26% on a monthly basis.*

* Survey



"Return to work" takes office and casual apparel sales to new heights

- 51% of respondents in the UK say that their workplaces have re-opened. Since "Freedom Day" on the 19th of July, 39% of respondents say they have returned to the office full time for the first time since March last year.*
- Formal work attire sales were up 200% when comparing recent months spanning 6/15 – 7/28 to the pre-pandemic period (1/1/2020 – 2/28/2020). However, casual apparel remains in high demand, as average daily sales were up over 600% during the same time period.
- 33% of respondents advised that they purchased new clothes upon returning to the office. (formal office attire 15%, smart/casual 45%, casual wear 50%)*



* Survey

Heatwaves and floods fuel reactive shifts in online purchasing

- Comparing June and the first three weeks of July (6/1/2021 – 7/21/2021) to May 2021, online sales of fans and air conditioning units increased 120%. However, online spending habits quickly changed as rain and floods impacted parts of England. Sales of umbrellas, raincoats and wellies rocketed overnight by 51% comparing 24 July – 28 July to 19 July – 23 July.

Online sales of fans and air conditioning units increased 120%*...



*Comparing sales from 6/1/2021 - 7/21/2021 to May 2021



... but quickly changed as the rain and floods hit Britain, sales of umbrellas, raincoats and wellies grew 51% overnight.**

**Comparing sales during 7/24/2021 - 7/28/2021 to 7/19/2021 - 7/23/2021

UK travelers spending on goods for local holiday excursions

- As overseas travel continues to be subject to disruption, 56% of consumers advised they are traveling less than they did in 2019. Only 29% of consumers claim they have booked a holiday in the last 3 months.*
- About 29% of Brits are spending more on staycations to compensate for the lack of foreign jaunts. 23% of consumers advised they will be hitting the beach and city, while 22% will be taking a trip to the countryside.*
- Spend on staycation related items such as tents, camping chairs and sleeping bags has increased by 32%**
- With summer in full-swing, consumers expanded their swimsuit collection and blocked out some extra UV rays. Sales of swimwear and sunscreen was up 18%.**



Online sales for tents, camping chairs, and sleeping bags in the UK rose 32%

* Survey

** Comparing sales during 14/7/2021 – 28/7/2021 to 14/6/2021 – 28/6/2021

