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UK Consumers Spent £8.0 Billion Online in January as Use of ‘Buy Now Pay Later’ Rises to 12% of Orders

- **Rising energy and food costs have created a more price-conscious UK consumer, who spent £8.0 billion online in January, 1.4% less than 2022**
- **Purchases using Buy Now Pay Later services accounted for 12% of online orders in January 2023, up from 10.7% in January 2022 as cost-conscious consumers sought to spread the cost of purchases**
- **Mobile remained the dominant online shopping channel, with 59.7% of January purchases taking place on smartphones representing a 10.3% year over year increase in share**

LONDON, UK — 9th February, 2023 – Today, Adobe (Nasdaq:ADBE) released UK online retail insights for January 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.

The data shows that UK consumers spent £8.0 billion online in January, 26.7% less than in December 2022, and a year-on-year decrease of 1.4%. It also identified an increase in the use of Buy Now Pay Later (BNPL), as consumers sought to spread the cost of January purchases to ease the financial pressure caused by continued high levels of inflation and the cost-of-living crisis. BNPL was used in 12% of online purchases in January, up from 10.7% in January 2022. January average order value for online BNPL was up 18% year-over-year as consumers chose this method of finance for larger, more expensive items, spreading the cost over multiple months, in response to the current economic environment.

The digital economy remains a strong growth driver for brands. While UK consumers spent less in January than the previous year, the growth of UK ecommerce in the longer term remains strong. Last month consumers spent 39% more on online purchases compared to January 2020, which represents a 11.9% annualised growth rate over the last three years.

“Taking into account the increased pressure on consumer spending power this year compared with 2022, a year-on-year drop of just 1.4% in January online spending shows that the post-Christmas sales period still holds great importance for retailers and shoppers alike,” said Suzanne Steele, Vice President and Managing Director for Adobe in the UK. “While last week’s suggestion by the Bank of England that inflation may have peaked is good news in the mid- to long-term, the increased use of buy-now-pay-later services to spread the cost of January purchases, shows that consumers are still keeping a close eye on their finances in the short term.”

Additional Adobe Analytics Insights

- **Mobile Shopping:** Mobile was the most popular online shopping channel in January, with 59.7% of purchases taking place on smartphones – a 10.3% YoY increase in share. Overall, consumers spent £4.7billion with their mobile devices in the first month of the year.
- **Click and Collect:** This fulfilment method was used in 8.2% of online orders in January. When compared to historic norms of around 6%, this suggests that shoppers are seeking to reduce the amount spent on delivery charges, and that they are avoiding extra purchases to reach free delivery thresholds.
- **Winter Warmers:** The combination of continued freezing temperatures across most of the UK in January and increased energy prices pushed demand for cold weather products. Products such as heated blankets, hot water bottles, thermal curtains, draft excluders, floor lamps, coats and slippers proved popular for UK consumers in January. Demand for top holiday electronics persisted as products like AirPods, tablets, laptops and gaming consoles continued to see 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.

January 2023 data covers the period from January 1st 2023 to January 31st 2023.

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