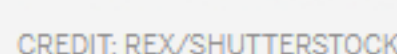




JUN 10 2020 3:37PM EDT

By Madeleine Street



This increase in online sales resulted in an additional \$53 billion being spent on digital channels in the U.S. during April and May. Meanwhile, e-commerce continues to grow its proportion of total spend — it accounted for 22% of retail sales in April-May 2020, versus 11% in those same months last year.

► Online Retailers Take Hit in April as More U.S. Consumers Spend In-Store

While overall total sales were still down in May by 5.6% year over year, this was an improvement from April, which saw a decrease of 14.1% compared with sales in April 2019. Mastercard experts attribute this recovery to the reopening of brick-and-mortar businesses and the impact of stimulus checks still trickling through the economy.

Sales growth and performance were found to be inconsistent across geographies and consumer

demographics, such as economic standing. But Mastercard reported spikes in home improvement spending, seeing growth in hardware spending (up 36.2% year over year) and furniture sales (up 7.5% year over year).

Another trend was the popularity of e-commerce across international markets. In the U.K., online sales rose to 33% of total retail spend in April and May 2020 — the highest share ever reported. The sales did not include those made on automobiles, gas or restaurants. Online luxury sales in the U.K. also reported an increase of 16% year over year, despite the market's overall decline.

As stores reopen across more states in the U.S., brick-and-mortar sales are expected to increase, according to experts. However, many consumers are wary of returning to physical shopping and this is likely to have an impact on e-commerce's long-term position in retail. Sadove predicts that some of the trends now will create permanent shifts for the industry, not just in what sells but how it sells.

"The question is what changes will stick around for the long-term," said Sadove. "Investing in your home and shopping local are two recent trends. Heightened demand for touchless services is another, which could have tremendous impact on what stores actually look like and how they blend their online and brick-and-mortar footprints."

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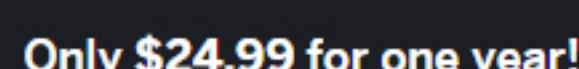
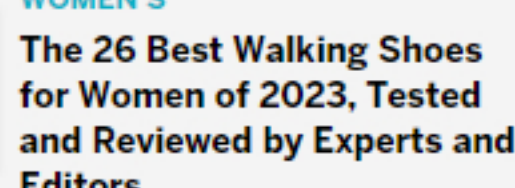
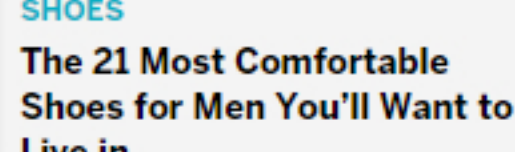
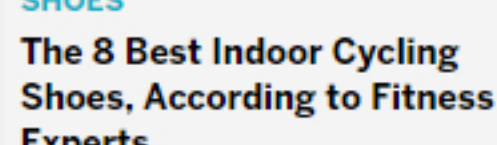
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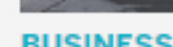
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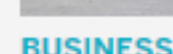


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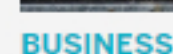
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