

FORECAST REPORT

Global Retail E-Commerce Forecast, 2024 To 2028

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Summary

Global online retail sales have risen from \$1.3 trillion in 2014 to \$4.4 trillion in 2023. By 2028, global online retail sales will grow to \$6.8 trillion, online retail penetration will reach 23.7%, and \$21.9 trillion of retail sales will still occur offline. This report provides a five-year forecast for total, online, and offline retail sales in local currencies and US dollars for 40 countries globally, with historical data going back to 2014.

Additional resources are available in the [online version](#) of this report.

E-Commerce Continues To Offer Growth Opportunities Worldwide

Global online retail sales experienced double-digit growth in the pre-pandemic years. In 2020 and 2021, pandemic-induced store closures accelerated online retail growth. As COVID-19 restrictions lifted and social distancing measures eased in 2022, consumers returned to in-store shopping, and online retail sales growth slowed considerably and turned negative in several countries. Online retail sales penetration, which we define as the share of online sales in total retail sales, either remained flat or declined in most countries. Global online retail sales growth picked up in 2023 but was still in the single digits for the second consecutive year. Over the past two years, online retail penetration has lost all of the gains it made during the COVID-19 pandemic in most countries.

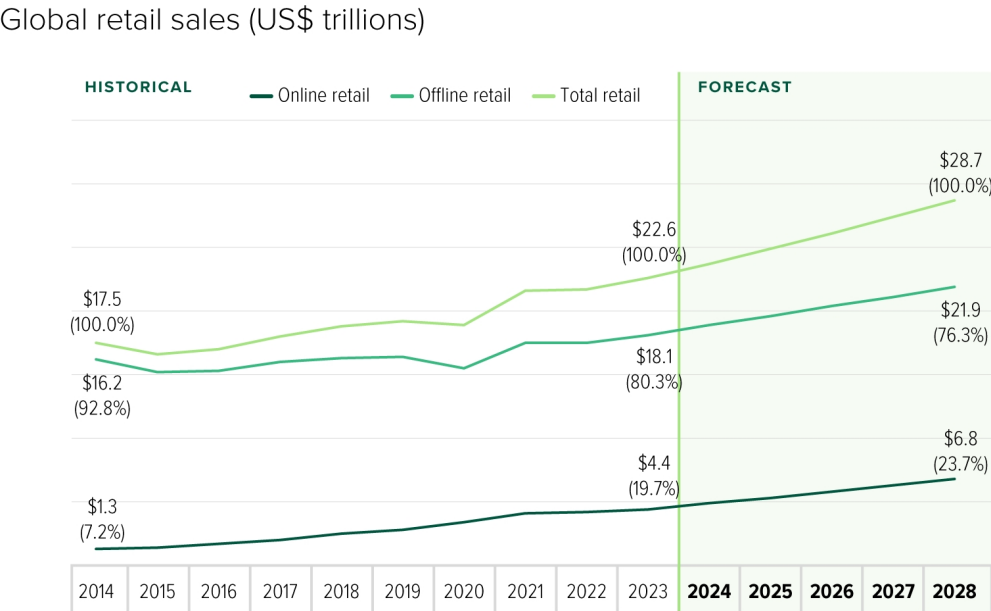
Looking ahead in 2024 and beyond, we expect continued growth momentum for online retail sales. This momentum is due to the numerous benefits of online shopping for consumers and also retailers' investment in digital initiatives and generative AI (genAI) to bolster online retail sales. The growth of marketplaces, social commerce, online grocery buying, click-and-collect sales, quick commerce, livestream selling, and direct-to-consumer (DTC) commerce will contribute to the global online retail sales growth.

Global Online Retail Sales Will Reach \$6.8 Trillion By 2028

Global online retail sales rose to \$4.4 trillion in 2023, up from \$1.3 trillion in 2014. One-fifth of 2023 retail sales took place online, which is almost a threefold increase on 2014. By 2028, global online retail sales will grow to \$6.8 trillion and reach an online retail penetration of 23.7% (see Figure 1). Physical stores will continue to play a significant role; \$21.9 trillion (or 76.3%) of the \$28.7 trillion in worldwide retail sales in 2028 will still happen offline.

Retail e-commerce maturity varies globally, with advanced economies such as the US, UK, and South Korea leading due to high internet penetration and digital literacy. Emerging markets are quickly catching up, driven by widespread smartphone adoption, mobile commerce, and youthful populations. Developing economies feature marketplaces like Allegro, Flipkart, Lazada, Mercado Libre, and Shopee, which are expanding access, while digital wallets and account-to-account (A2A) transfers are facilitating cashless transactions. This rapid adaptation is transforming the global e-commerce landscape, presenting new opportunities for businesses and consumers alike.

Figure 1
Global Retail Sales From 2014 To 2028 — Online, Offline, And Total



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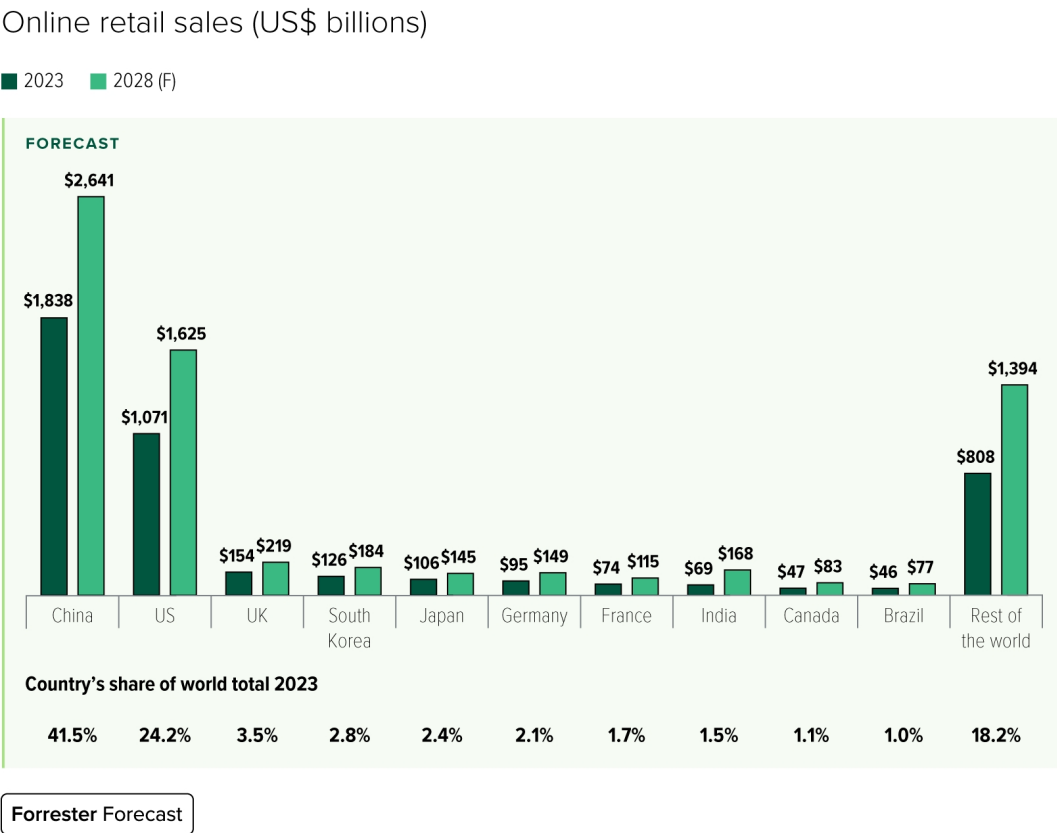
Note: The share of total retail sales is provided in the parentheses.
Source: Forrester's Global Retail E-Commerce Forecast, 2024 To 2028

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Online Retail Sales Make Up Just 12% Of Global Sales Outside China And The US

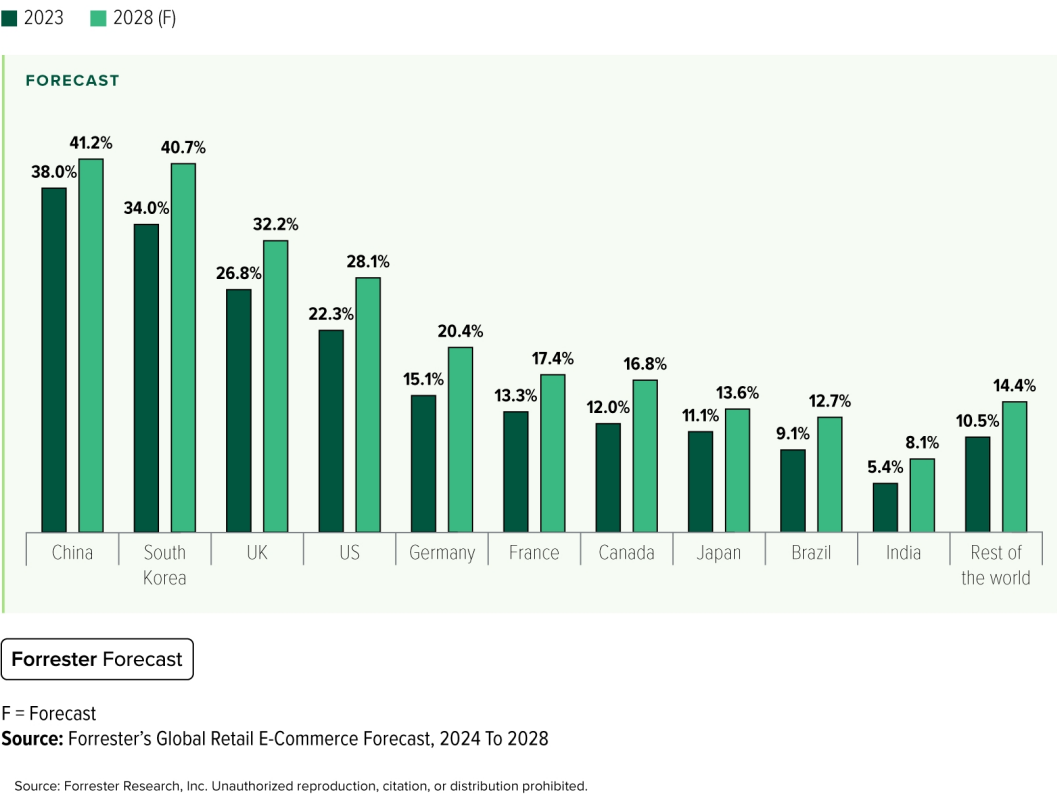
Almost two-thirds of global e-commerce comes from China and the US, with online sales of \$1.8 trillion and \$1.1 trillion, respectively, in 2023 (see Figure 2). Excluding China and the US, global online retail penetration falls from 19.7% to 11.8% in 2023, suggesting significant potential for e-commerce growth. As a result, we expect the combined China and US share of global e-commerce to decrease slightly from 65.6% in 2023 to 62.7% by 2028. Excluding China and the US, global online retail sales will increase from \$1.5 trillion in 2023 to \$2.5 trillion in 2028, with online retail penetration reaching 15.4% in 2028.

Figure 2
Top 10 Countries By Online Retail Sales, Share, And Online Penetration



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Online retail penetration

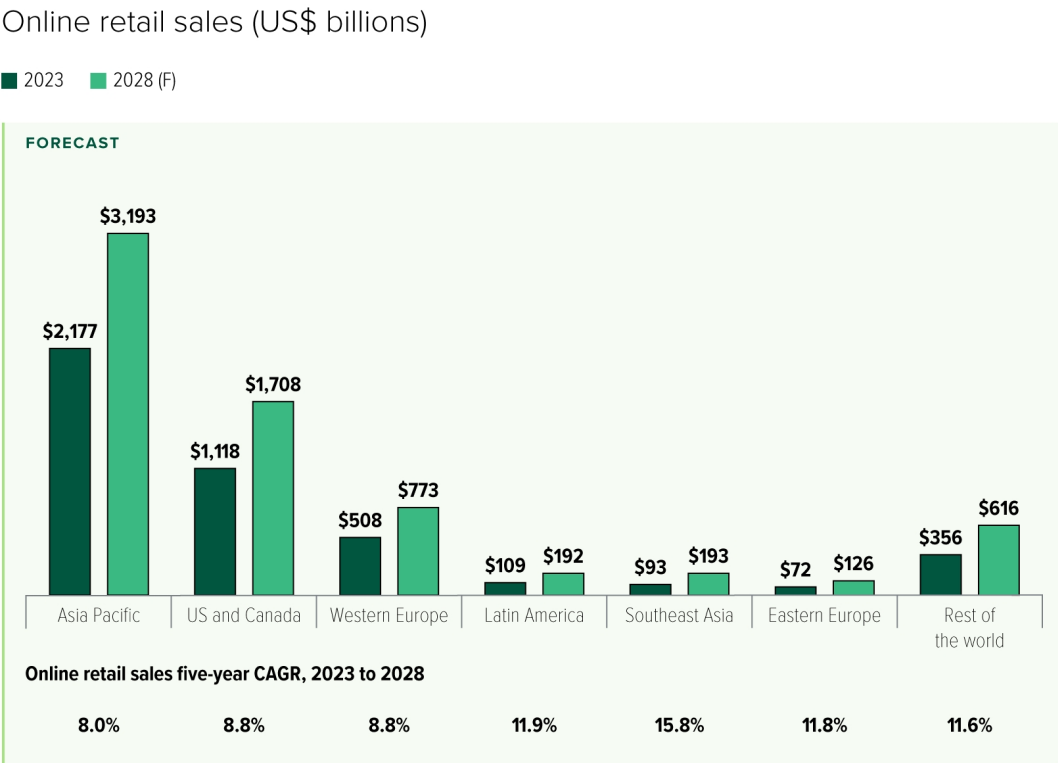


E-Commerce Growth Opportunities Vary By Region

Lower levels of e-commerce penetration in Eastern Europe, Latin America, and Southeast Asia will see online retail sales growth rates that are faster than the global growth (see Figure 3). The growth of real GDP per capita in India, Indonesia, Romania, the Philippines, and Vietnam will help their online retail grow by double digits over the next five years.

E-commerce growth opportunities flourish across regional marketplaces. Various online marketplaces dominate different regions, per Forrester's [2022 Online Marketplace Tracker, Global](#). Amazon and eBay are popular globally. Mercado Libre leads online retail growth in Latin America. In Western Europe, Zalando in Germany and Cdiscount in France are prominent. Allegro is popular in Eastern Europe. In Southeast Asia, Shopee and Lazada are fierce competitors. Flipkart is popular in India, and Rakuten is popular in Japan. Alibaba's Taobao and Tmall, JD.com, and Pinduoduo capture more than 90% of Chinese e-commerce. Emerging players such as Shein, Temu, and TikTok Shop are rapidly gaining market share across several countries.

Figure 3
Online Retail Sales, Growth, And Penetration By Region And Subregion

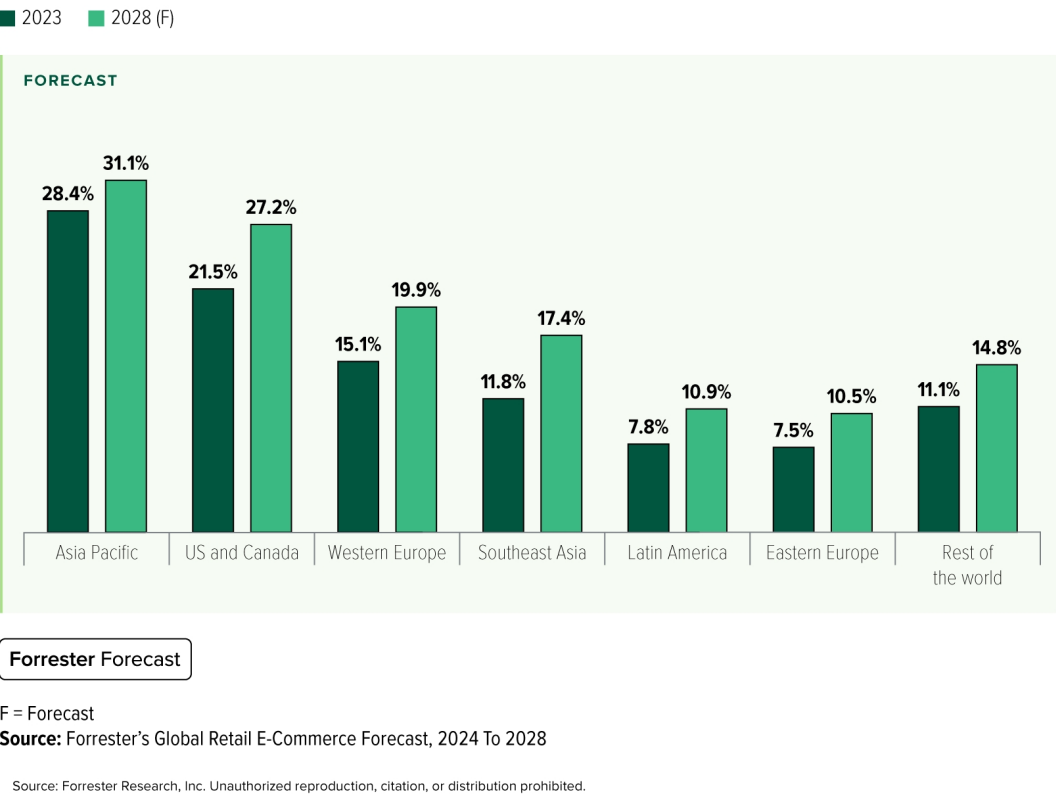


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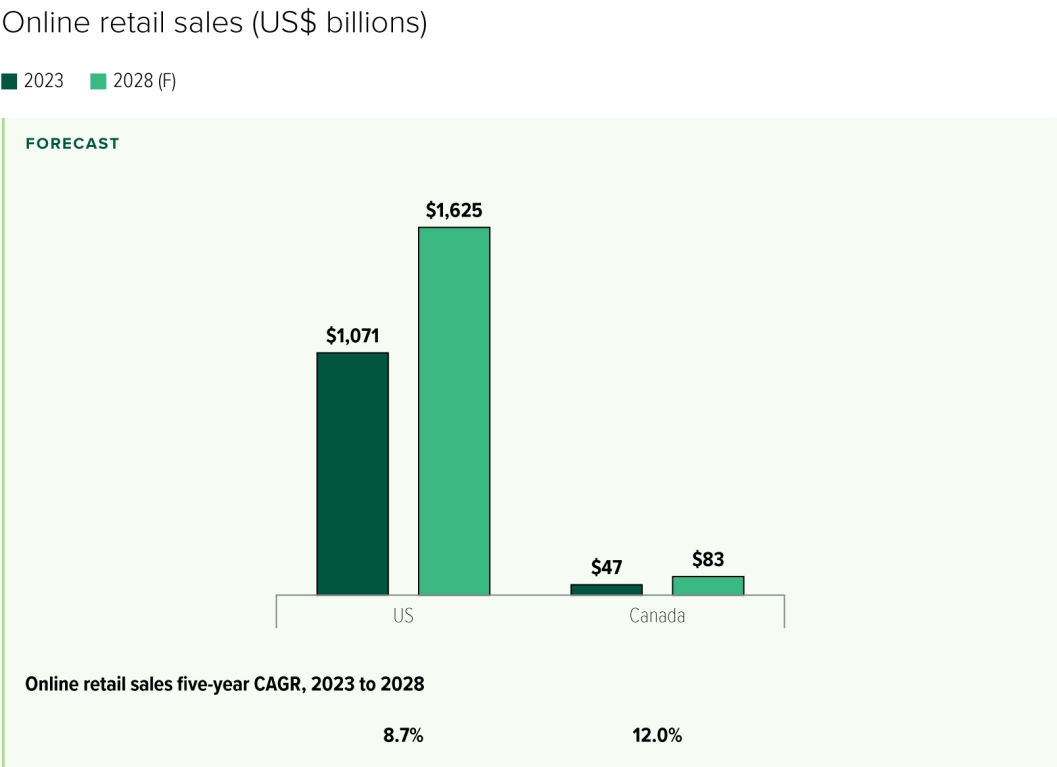
Online retail penetration



E-Commerce Is More Mature In The US Than In Canada

Forrester expects US online retail sales to reach \$1.6 trillion by 2028, accounting for 28.1% of total US retail sales. In contrast, we project Canadian online retail sales to reach \$83 billion by 2028, representing 16.8% of total Canadian retail sales (see Figure 4). Canada lags the US in e-commerce penetration due to lower population density, a smaller market size, and slower consumer adoption. Only 4.2% of e-commerce sales in North America come from Canada. In 2023, US total retail sales were 12 times larger than Canada’s, and this rose to about 23 times for online retail sales specifically.

Figure 4
US And Canada Online Retail Sales, Growth, And Penetration



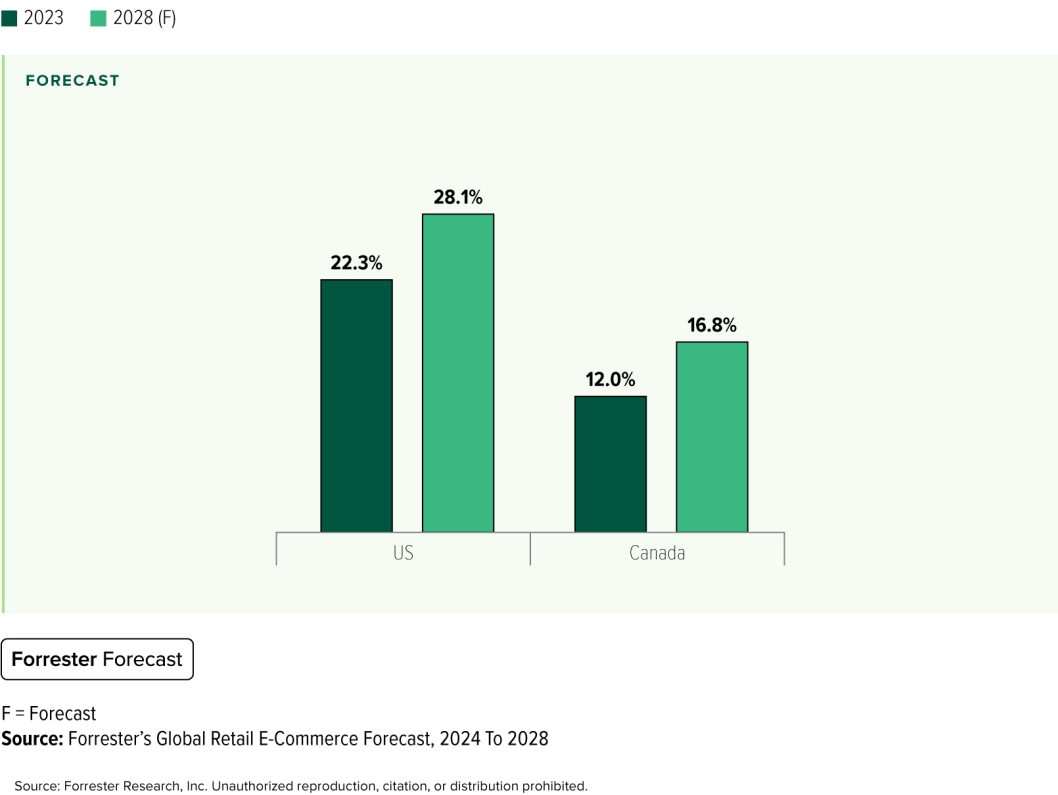
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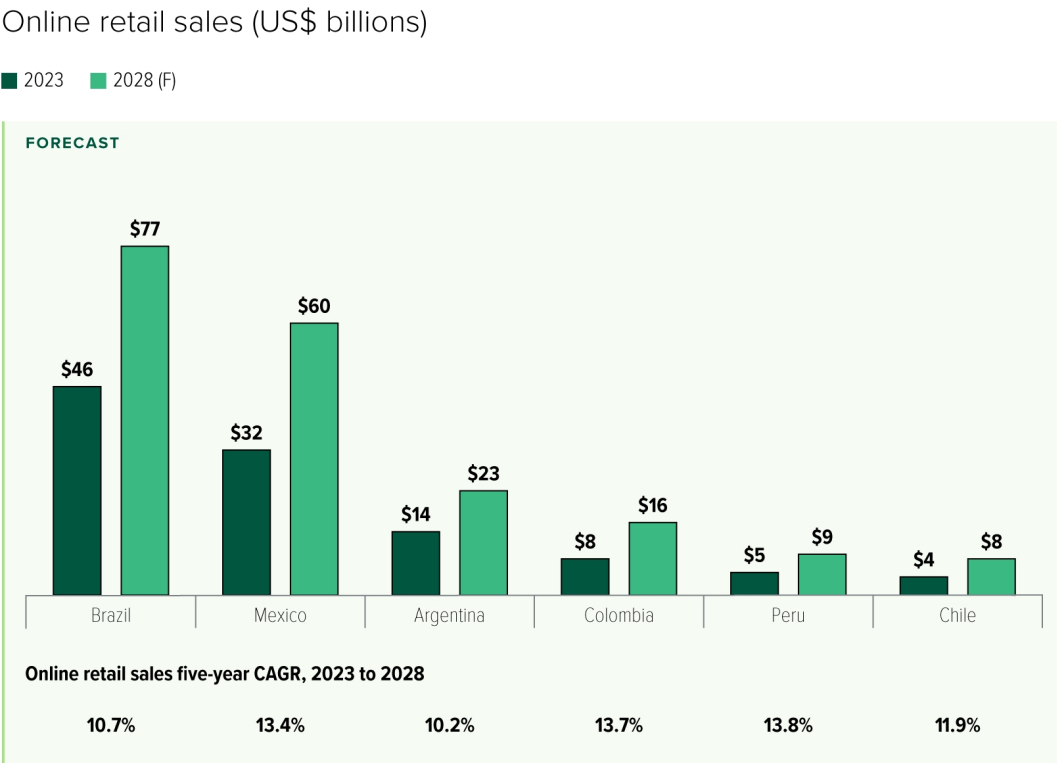
Online retail penetration



Latin America’s Online Retail Sales Will See Double-Digit Growth In The Next Five Years

Latin America’s top six countries’ total online retail sales will grow from \$109 billion in 2023 to \$192 billion by 2028 to capture 10.9% of total retail sales there (see Figure 5). Brazil, the largest by GDP and population, comprised 42% of the region’s retail e-commerce market, with \$46 billion in online retail sales in 2023. The next largest e-commerce markets, Mexico and Argentina, saw online retail sales reach \$32 billion and \$14 billion, respectively. Colombia, Peru, and Chile ranked fourth, fifth, and sixth, respectively, in online retail sales in 2023. The region remains relatively underpenetrated. Forrester anticipates double-digit growth in online retail sales for all six countries over the next five years, driven by increasing internet penetration, rising smartphone usage, digital payment adoption, economic growth, improved logistics, and a cultural shift toward online shopping. Argentina will continue grappling with double-digit inflation and currency devaluation.

Figure 5
Latin America Top Six Countries' Online Retail Sales, Growth, And Penetration

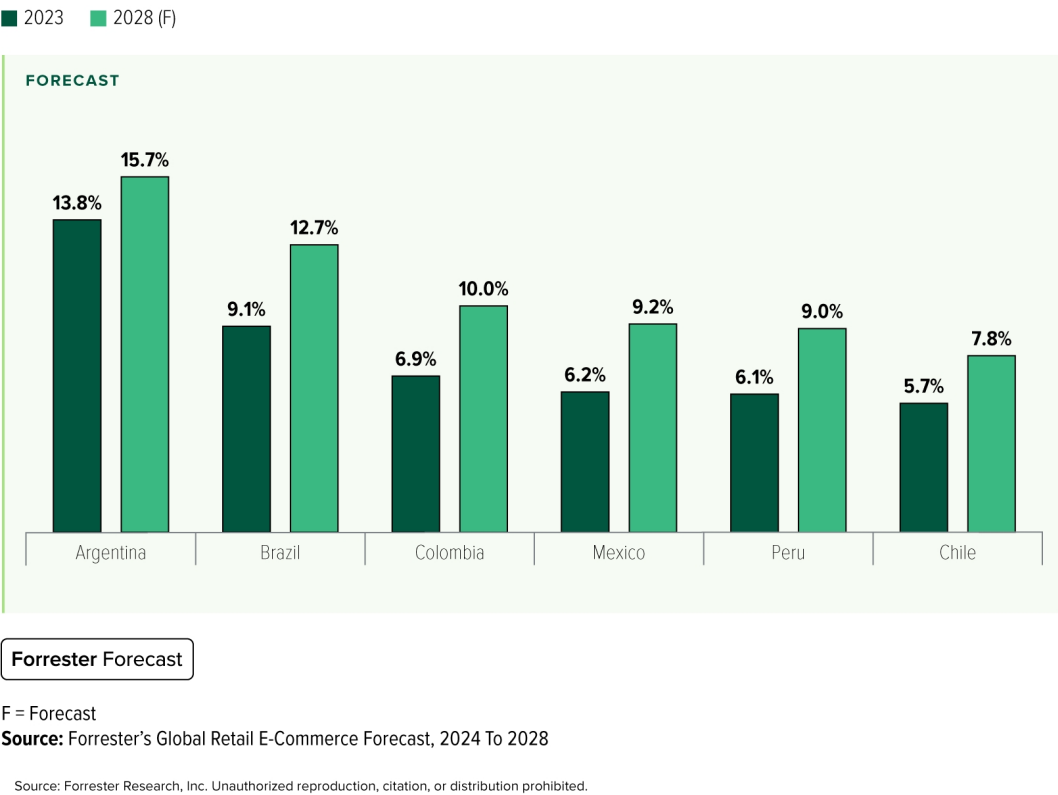


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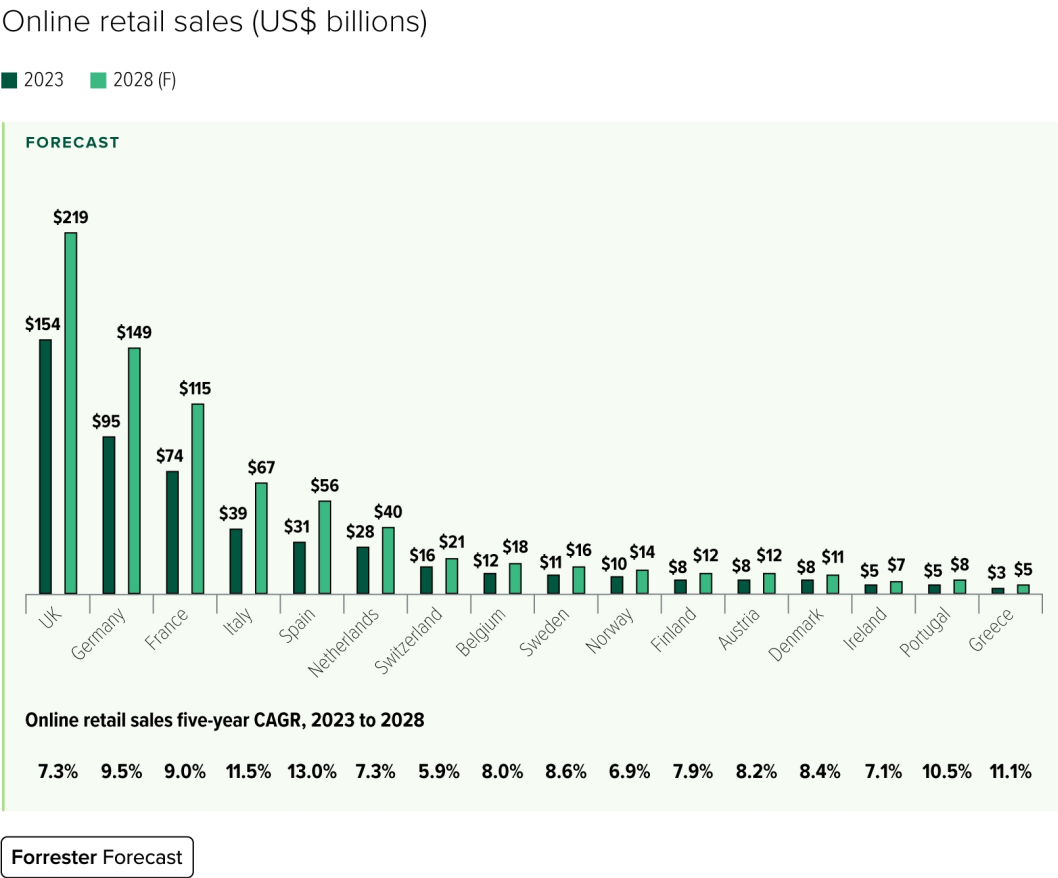
Online retail penetration



E-Commerce Adoption In Western Europe Varies Across The Region

Forrester expects online retail sales in Western Europe to grow from \$508 billion in 2023 to \$773 billion in 2028, with online retail penetration reaching 19.9% (Figure 6). The top five economies of Western Europe accounted for 77% of the region’s online retail sales in 2023. The UK was the biggest market for retail e-commerce, followed by Germany, France, Italy, and Spain. Toward the end of the pandemic, half of the countries in Western Europe saw a double-digit decline in online retail sales in 2022, as consumers showed a preference for in-store shopping. Despite a modest low-single-digit growth rebound in 2023, Western Europe’s e-commerce penetration declined slightly and reached 15.1%. In 2023, the UK, Netherlands, Norway, Finland, and Germany led in online retail penetration, while Austria, Spain, Italy, Portugal, and Greece lagged, highlighting diverse levels of e-commerce adoption across the region.

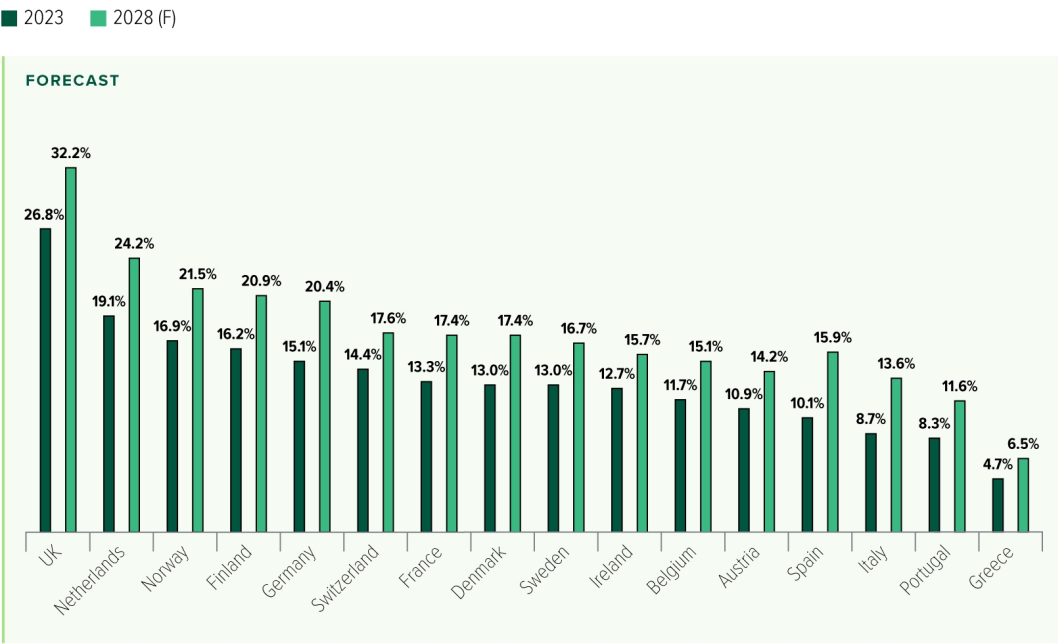
Figure 6
Western Europe Top 16 Countries' Online Retail Sales, Growth, And Penetration



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Online retail penetration



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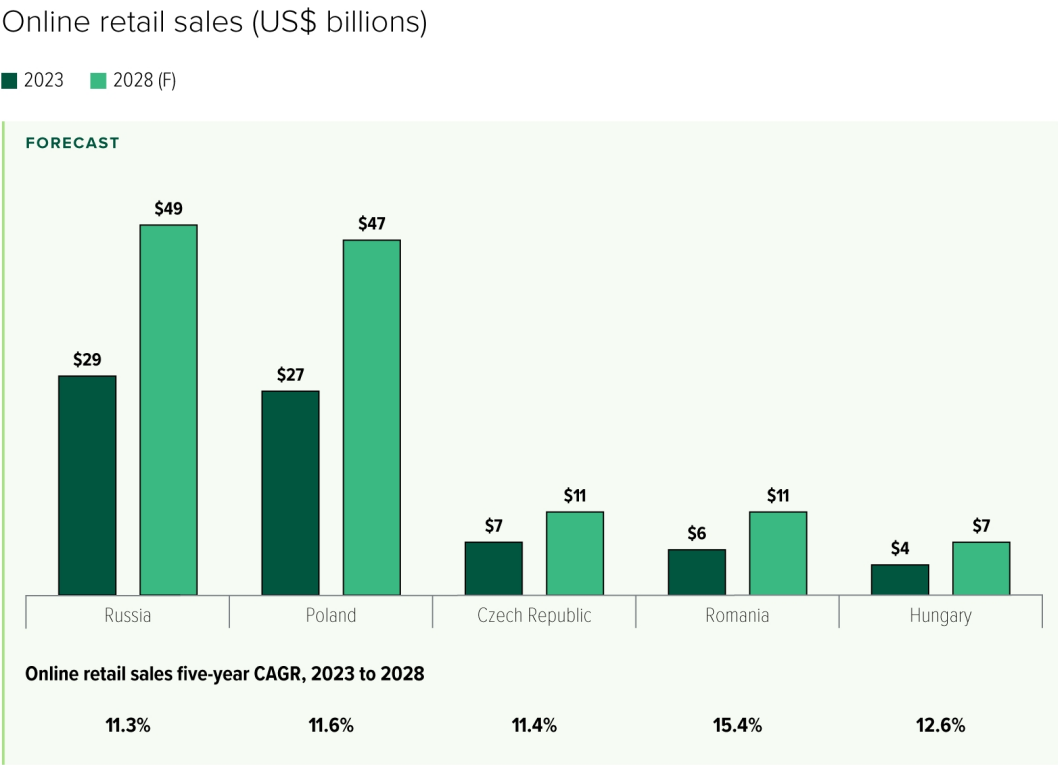
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E-Commerce In Eastern Europe Remains Underpenetrated Compared To Western Europe

Forrester expects the combined online retail sales for top five Eastern European countries — Russia, Poland, Czech Republic, Romania, and Hungary — to increase from \$72 billion in 2023 to \$126 billion in 2028, with Russia and Poland dominating the region (see Figure 7). Online retail penetration in Eastern Europe is half that of Western Europe, as differences in economic development, consumer purchasing power, market competition, and infrastructure and logistics capabilities slow online maturity. The Russia-Ukraine war also slowed e-commerce growth in the region. Despite these obstacles, rising consumer incomes and enhancements in logistics infrastructure will drive double-digit growth rates in online retail sales in Eastern European countries over the next five years.

Figure 7
Eastern Europe Top Five Countries' Online Retail Sales, Growth, And Penetration

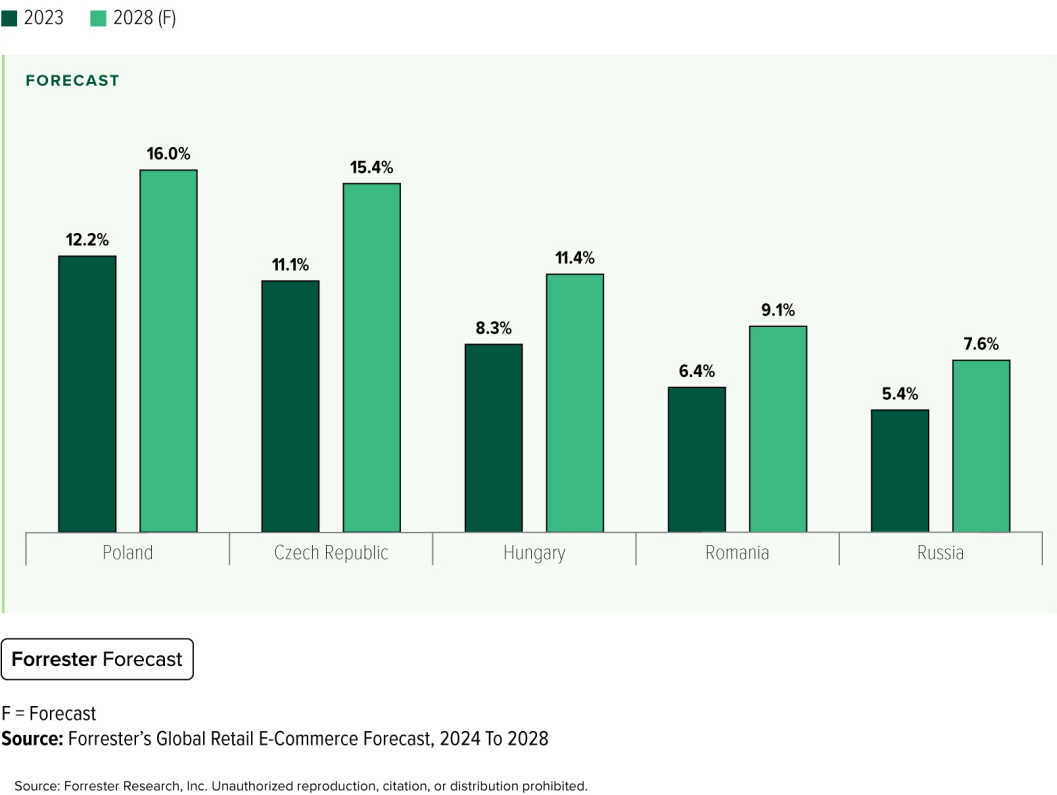


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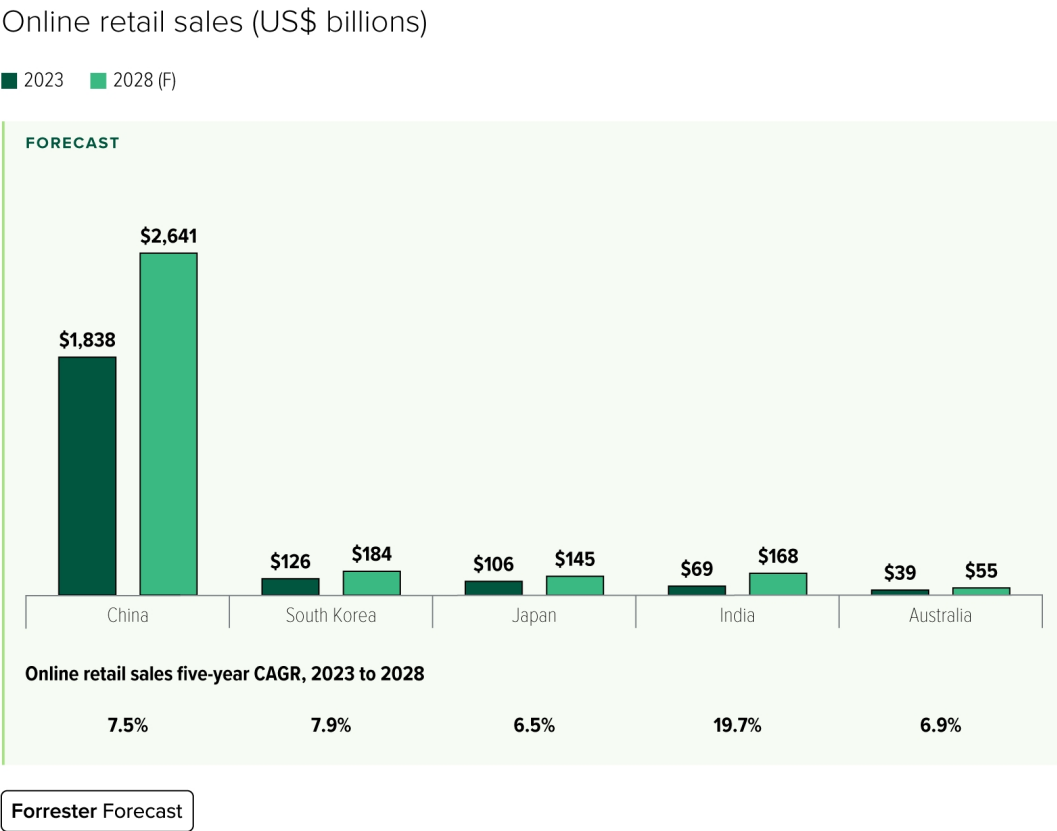
Online retail penetration



China Will Remain The Largest And India Will Grow The Fastest In Asia Pacific

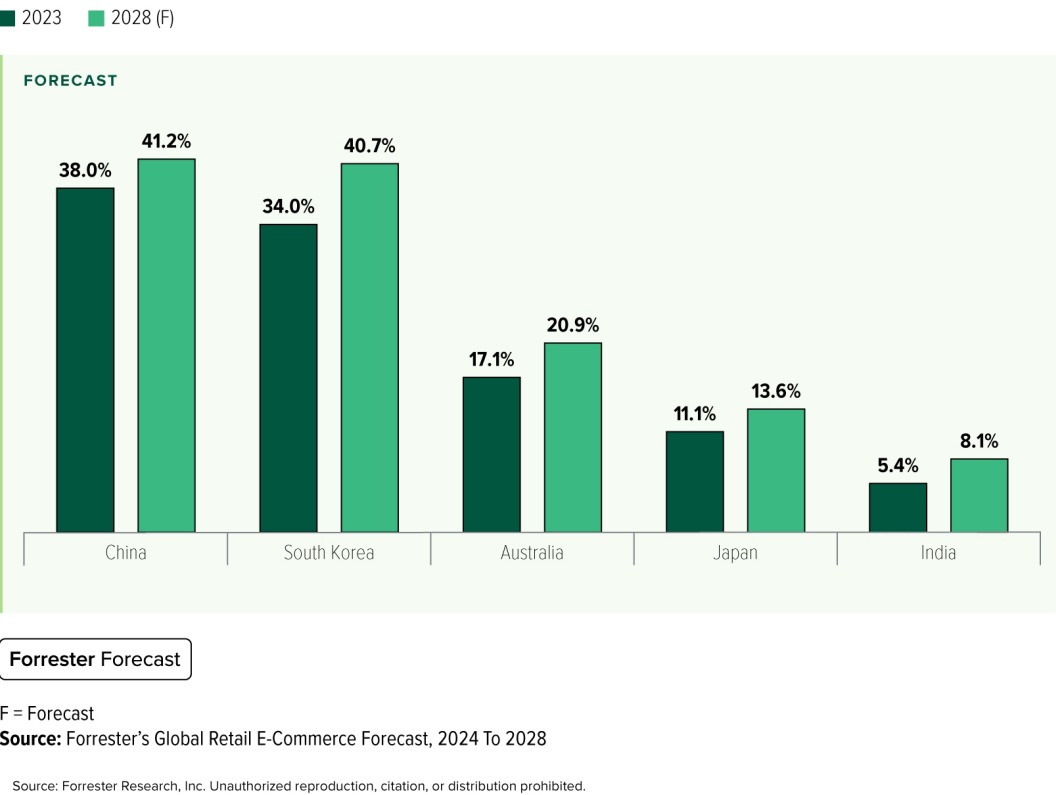
The Asia Pacific region typically includes countries in East Asia, Southeast Asia, South Asia, and Oceania. China, Japan, and South Korea are the leading economies in East Asia, while India and Australia dominate in South Asia and Oceania, respectively. Forrester expects the combined online retail sales for these top five Asia Pacific countries to increase from \$2.2 trillion in 2023 to \$3.2 trillion in 2028, with China dominating the region (see Figure 8). China and South Korea are the top two countries globally in e-commerce penetration and will each have online retail penetration of more than 40% by 2028. Although Australia and Japan are advanced economies, their e-commerce markets are underpenetrated compared to China, and we expect them to see single-digit growth rates. We expect India, one of the fastest-growing countries in online retail sales, to continue its double-digit growth over the next five years, adding \$100 billion to its current e-commerce sales. Despite China and India having similar population sizes, China’s online retail sales in 2023 were 27 times greater than India’s.

Figure 8
Asia Pacific Top Five Countries' Online Retail Sales, Growth, And Penetration



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Online retail penetration

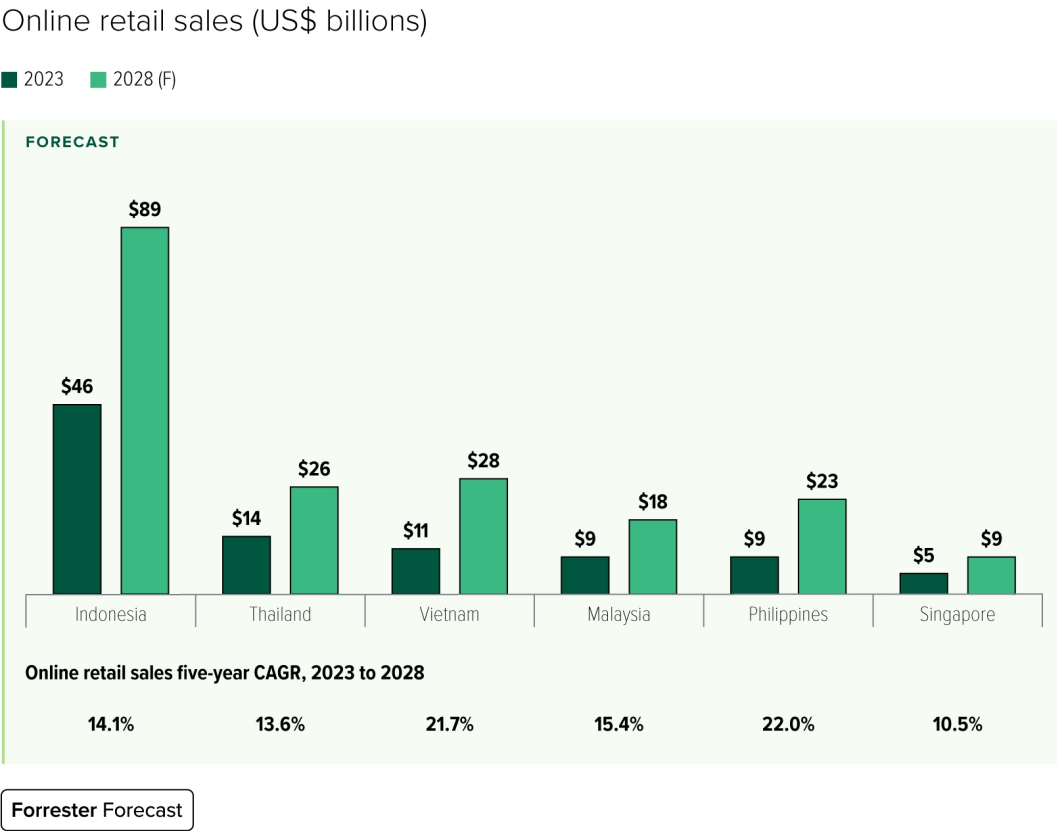


Southeast Asia Will Be The Fastest-Growing Region In The World In Online Retail Sales

Southeast Asia’s top six countries’ total online retail sales reached \$93 billion in 2023 and will rise to \$193 billion by 2028 to capture 17.4% of sales (see Figure 9). Indonesia is the largest e-commerce market, with \$46 billion in sales in 2023, accounting for half of the region’s retail e-commerce sales. Thailand is the second-largest e-commerce market in Southeast Asia, with sales of \$14 billion. We project that the Philippines and Vietnam will see an over 20% compound annual growth rate (CAGR) in online retail sales from 2023 to 2028, outpacing other countries in the region. Indonesia leads the region in online retail penetration, as well, followed by Malaysia and Singapore. New entrants are reshaping Southeast Asia’s e-commerce. Sea’s Shopee and Alibaba-owned Lazada lead, with Shopee using localized content and promotions while Lazada leverages Alibaba’s product ranges. ByteDance’s TikTok acquisition of GoTo’s Tokopedia will likely see fast growth in Indonesia. Shein and Temu are intensifying competition with fast fashion and group buying, respectively. Amazon has a limited presence in Southeast Asia due to challenges such as language diversity and strong

local players.

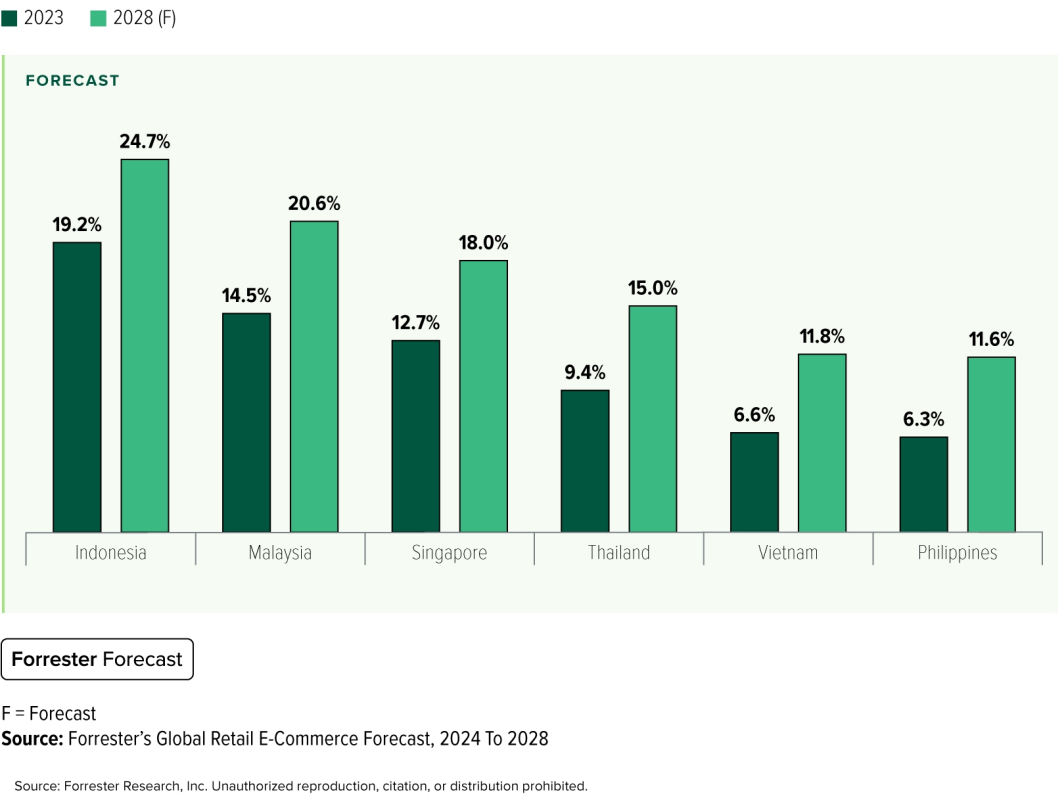
Figure 9
Southeast Asia Top Six Countries' Online Retail Sales, Growth, And Penetration



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Online retail penetration



Supplemental Material

Forecast Methodology

As part of the forecast modeling, Forrester develops comprehensive historical and base-year market size estimates based on a variety of sources, including public financial documents, executive interviews, Forrester’s proprietary primary consumer and executive research, and analysis of the Internet traffic database.

All of Forrester's forecasts are designed by a dedicated team of forecasting analysts who build the models, conduct extensive industry research, and manage the process of formally building consensus among Forrester’s analysts. Forecast analysts have backgrounds in investment banking, management consulting, and market research, where they developed extensive experience with industry and company forecasting.

Definitions

Total retail sales and online retail sales include the purchase of merchandise. They do not include categories such as travel, cars, and prescription drugs. Additionally, these sales exclude food and drink purchases at restaurants or fast-food chains, as well as

gasoline sales. Merchandise includes categories such as computer hardware and software, consumer electronics, beauty and cosmetics, media (books, music, and videos), apparel and accessories, footwear, appliances (personal and home), groceries, homeware, and furniture. We use the terms “online retail sales” and “retail e-commerce sales” interchangeably. We do not provide data on e-commerce sales of services.

Data Provided

The report includes the following data in an accompanying Excel spreadsheet:

- Total retail sales in US dollars and local currency.
- Online retail sales in US dollars and local currency.
- Online retail sales as a share of total retail sales (also known as online retail penetration).
- Offline retail sales in US dollars.
- Offline retail sales as a share of total retail sales.
- Average exchange rate during the year.

The Excel spreadsheet contains this data for 40 countries, covering a 15-year period starting from 2014. 2014 to 2023 is actual, and 2024 to 2028 is forecasted. The global forecast does not provide category-level data for individual countries.

Country Selection

The forecast provides data for 40 countries globally, each with a nominal GDP exceeding \$200 billion in 2023, according to the International Monetary Fund (IMF) World Economic Outlook (WEO) October 2023 release. These 40 countries represent 88% of the global GDP in 2023. The list of countries, sorted by their nominal GDP in 2023, is provided for different regions and subregions as follows:

- North America: US and Canada.
- Latin America’s top six countries (account for 88% of region’s GDP): Brazil, Mexico, Argentina, Colombia, Chile, and Peru.
- Western Europe’s top 16 countries (account for 99% of region’s GDP): Germany, UK, France, Italy, Spain, Netherlands, Switzerland, Belgium, Sweden, Ireland, Norway, Austria, Denmark, Finland, Portugal, and Greece.
- Eastern Europe’s top five countries (account for 79% of region’s GDP): Russia, Poland, Romania, Czech Republic, and Hungary.

- Asia Pacific's top five countries (account for 93% of region's GDP, excluding Southeast Asia): China, Japan, India, South Korea, and Australia.
- Southeast Asia's top six countries (account for 96% of region's GDP): Indonesia, Thailand, Singapore, Philippines, Vietnam, and Malaysia.
- The rest of the world includes countries in Africa, the Middle East, and Central Asia, as well as those not featured in the above regional top lists.

These countries were included in Forrester's previously published regional forecasts for North America, Latin America, Western Europe, Eastern Europe, Asia Pacific, and Southeast Asia. The global forecast consolidates the top-line data from all of our regional forecasts and provides the most updated forecast.

There are 17 additional economies with nominal GDPs over \$200 billion in 2023 that were not included in the current version of the global forecast. These include one from Oceania (New Zealand), two from East Asia (Hong Kong SAR, Taiwan Province of China), two from South Asia (Bangladesh, Pakistan), two from Central Asia (Kazakhstan, Turkey), six from the Middle East (Iraq, Islamic Republic of Iran, Israel, Qatar, Saudi Arabia, United Arab Emirates), two from North Africa (Algeria, Egypt), and two from Sub-Saharan Africa (Nigeria, South Africa). These 17 economies account for 8% of the global GDP in 2023.

Data Sources

For total retail sales, we leveraged retail sales data provided by central banks or statistical organizations of the individual countries. For online retail sales, we considered data provided by retail and e-commerce industry associations in the countries. We also reviewed the annual accounts of the leading retailers and marketplaces globally. Eurostat is a useful reference for data on European countries. For a few countries where retail sales data were not available from the above sources, we leveraged private consumption expenditure data released by the countries under the System of National Accounts (SNA). In cases where retail e-commerce sales data was not available from the above sources, we used expert inputs and intelligence from investor reports. We used macroeconomic indicator data from the IMF's World Economic Outlook (WEO) October 2023 release. We used the average currency conversion rates for the year from Bloomberg.

Forecast Modeling

We modeled retail and e-commerce sales in local currencies first by leveraging data from our sources. We used actual exchange rates from 2014 to 2023 to convert sales into US dollars. For the forecast years 2024 to 2028, we used the 2023 exchange

rates. This approach provides us with the same five-year CAGR in both local currency and US dollars. Argentina is an exception where we used variable exchange rates for 2024 to 2028, due to the rapid devaluation of its currency caused by hyperinflation.

In addition to the 40 countries mentioned, we provide total retail sales and online retail sales for the rest of the world, which helps us arrive at a global number for retail and e-commerce sales. To compute the rest of the world's total retail sales, we calculated retail sales as a percentage of GDP in both developed and emerging economies from the 40 countries. We then applied that ratio to the developed and emerging economies in the rest of the world. To compute online retail sales for the rest of the world, we used average online retail penetration data for developed and emerging economies.



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