

# Holiday Shopping Report

Insights  
**Summer 2025**



# Introduction

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**A leading  
study  
delivering  
data-driven  
insights into  
2025  
consumer  
preferences,  
from major  
sales events  
to holiday  
shopping.**

## **Welcome Simon-Kucher's 2025 Holiday Shopping Report ♦**

The seventh annual report, based on insights from 1,500 US consumers, provides a deep dive into consumer preferences, behaviors and planned spending for holiday shopping and compares how these trends have evolved over recent years.

Our study predictions have proven to closely match actual outcomes and are used by retailers and consumer brands to make business decisions.

### **This year's study explores the following themes**

- ✓ Summer sales vs. holiday shopping differences
- ✓ Key purchasing drivers
- ✓ The role of AI

In addition, we uncover how current topics such as tariffs, flash sales, and influencers may impact seasonal shopping

## 2025 Holiday Shopping Trends: Executive summary of findings

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### Trends in spending

- Holiday spend per household is expected to climb in 2025
- Shoppers are deal-hungry, with discount expectations reaching up to 40% - though smaller cuts remain the norm across most categories
- Flash sales continue to polarize, many shoppers embrace them, while others avoid them

2



### Purchasing behavior

- Two-thirds of consumers now start shopping before November, reflecting strong planning habits
- Social media browsing is increasingly shaping ideas and inspiration for holiday shopping
- Return rates are low overall, though reasons vary from poor fit to unmet expectations

3



### AI going mainstream

- Over half of consumers now turn to AI for holiday shopping support
- The leading uses of AI are for price checks and deal alerts, but lack of trust and the desire to control the gifting process remain issues - especially among older generations
- Gen Z also has limited trust in the quality of customized recommendations

4



### Disruption from tariffs

- A significant share of consumers report tariffs are affecting their shopping decisions
- Some customers are opting out of holiday shopping entirely, citing commercialization and financial constraints
- Shoppers rely on a variety of payment methods - with credit / debit cards and cash leading the way

5



### Seven-year itch: What has changed since '19

- Flagship sales events like Black Friday have lost momentum, even as participation remains high
- Discount expectations peaked during the Pandemic but have since reset, with most shoppers expecting 25% or less
- Amazon remains a dominant force, though social media and big-box retail continue to shape shopping in different ways

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**What this means for business leaders**



1 

# Trends in spending

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“Holiday spend will grow in 2025, but growth hinges on balancing meaningful discounts with a careful approach to flash sales.”

**Shikha Jain**

*Partner and Head of Consumer & Retail for North America*

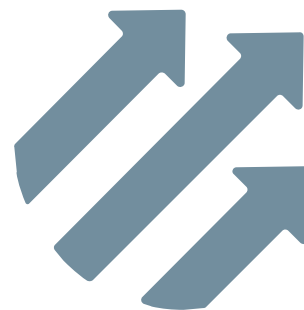


## How much consumers will spend in 2025



**The average  
US household  
will spend**

**\$1,077.22**  
**on holiday expenses**  
**in 2025**



**This is an  
increase  
of**

**5.7%**  
**over**  
**2024**

**Validity of the study**

**Our holiday shopping  
projections have closely  
aligned with findings  
from other major,  
reputable sources,  
reinforcing the  
accuracy of our outlook.**

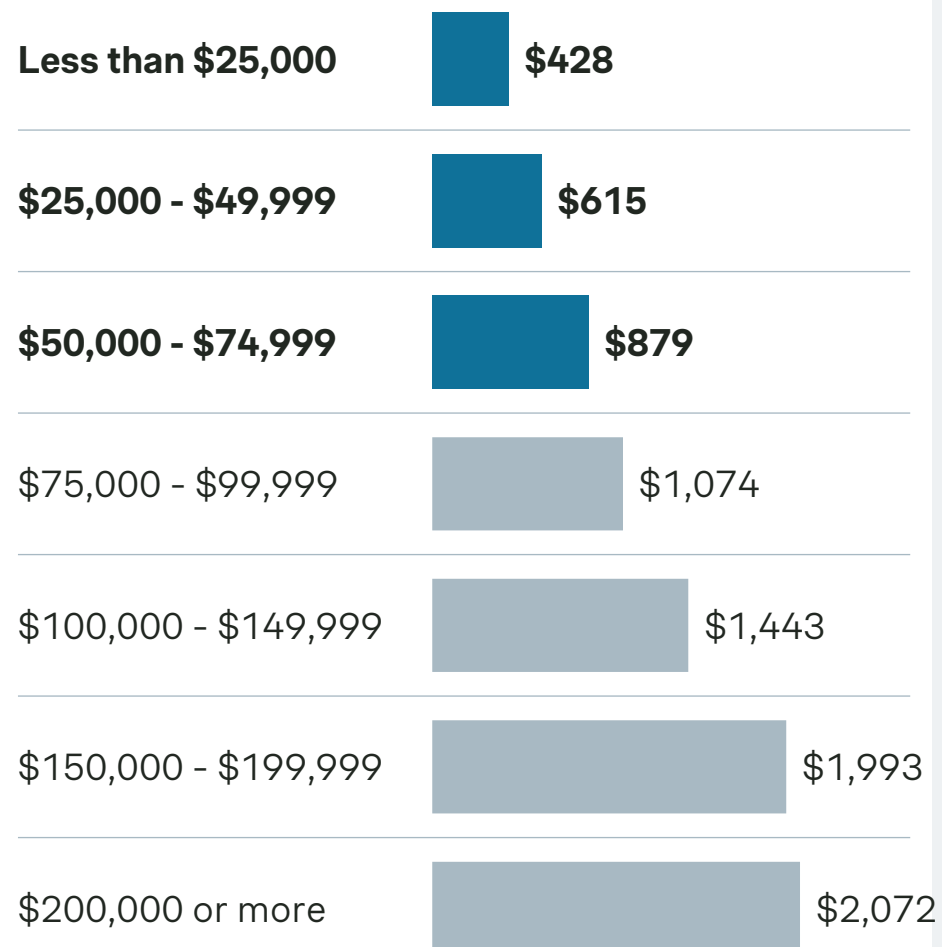
Our 2024 projections show that:

- Both our analysis and external reports pointed to household holiday spending just above \$1,000
- Growth expectations of ~8% year-over-year were consistently reflected across sources

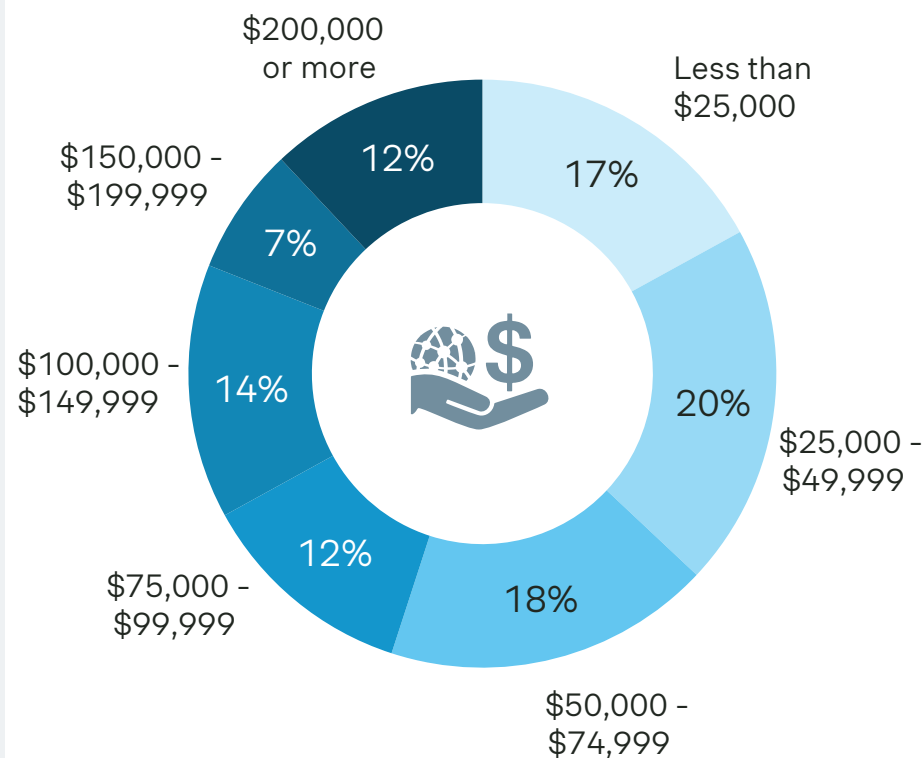
Source: Simon-Kucher's Holiday Shopping Report Summer 2025 Insights | Calculated average spend per HH income level using middle 90% of responses  
Q. What is your best estimate of what you spent last year and what you will spend this year during the holiday shopping season overall and per person?

## Not all consumers spend alike; while income matters a lot, it isn't the only factor shaping holiday budgets

### Holiday spending expectations by income level



### US income distribution<sup>1</sup>



### Key Insights



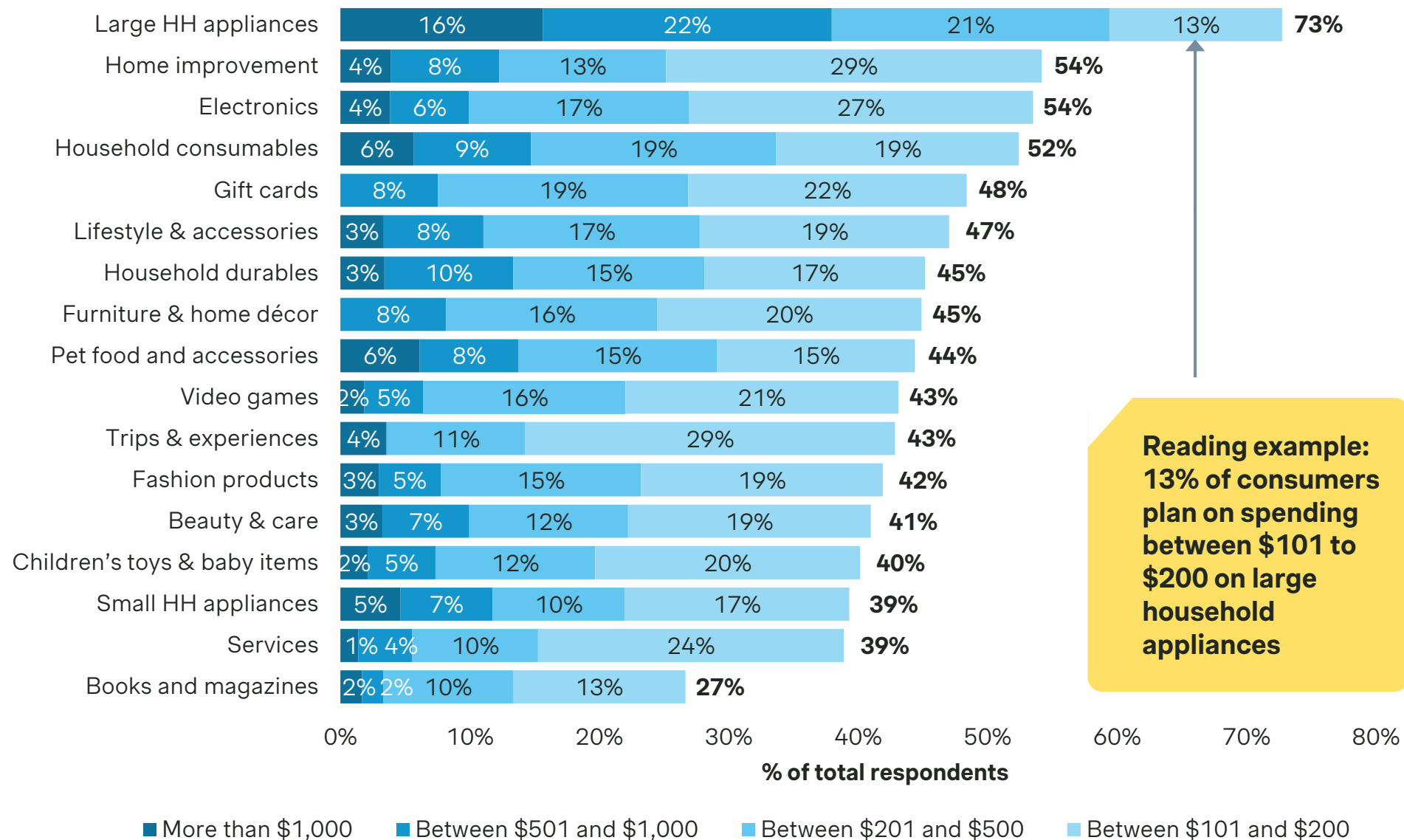
**Higher-income households (>\$100,000 annually) will spend significantly more than lower-income households (≤\$100,000 annually) this year**

While household with income below \$50,000 slightly decreased their spending, the largest increase comes from the \$100,000 to \$149,999 bracket (+14%)

Source: U.S. Census Bureau; Calculated average spend per HH income level | Calculated average spend per HH income level using middle 90% of responses

Q: What is your approximate annual household income (before taxes)? What is your best estimate of what you spent last year and what you will spend this year during the holiday shopping season?

## Consumers spend broadly across categories, but trips and appliances capture the largest share



### Key insights



More than 50% of consumers are spending or planning to spend over \$100 across essentials like:

- Large HH appliances
- Home improvement
- Electronics
- Household consumables

... but trips, experiences and large household appliances drive the highest spend, often exceeding \$1,000



**Seasonal shopping events:** While popular events such as Black Friday, Cyber Monday or Prime Day still lead the promo calendar, other events become increasingly relevant

## Event participation 2025 and change relative to 2024

Event	% Participation in 2025	Δ vs. 2024 (in %pts)
1 Black Friday	64%	-7%
2 Cyber Monday	52%	-4%
3 Prime Day	43%	+2%
4 4 <sup>th</sup> of July	38%	+1%
5 Labor Day	32%	-2%
6 Memorial Day	32%	-2%
7 Super Saturday	30%	+3%
8 Tax-free/Back-to-school	29%	+1%
10 Walmart's Summer Sales	28%	+2%
11 Shop Small Saturday	24%	+2%
12 Target Circle Week	21%	+1%
13 Veteran's Day	20%	+2%

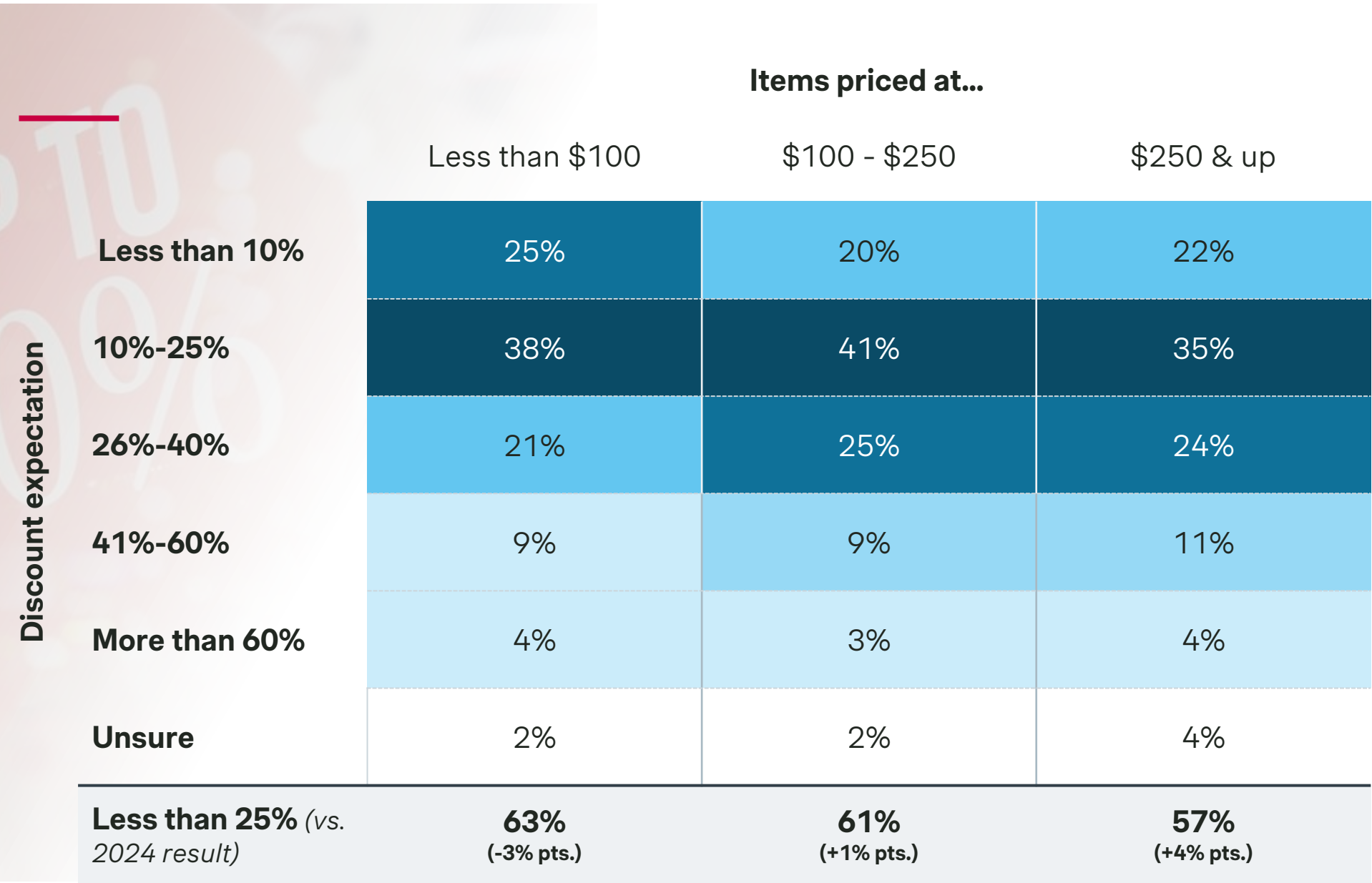
## Key Insights



**Big promotional events, like Black Friday and Cyber Monday, are still perceived to provide the best deals, but participation has peaked**

- In 2025, consumer participation in Black Friday is expected to be down 7% from 2024
- Prime Day expanded its duration to 4 days to capture overall record sales, but was confronted with lower sales per day

Expected discounts during holiday shopping season are converging this year



Key insights

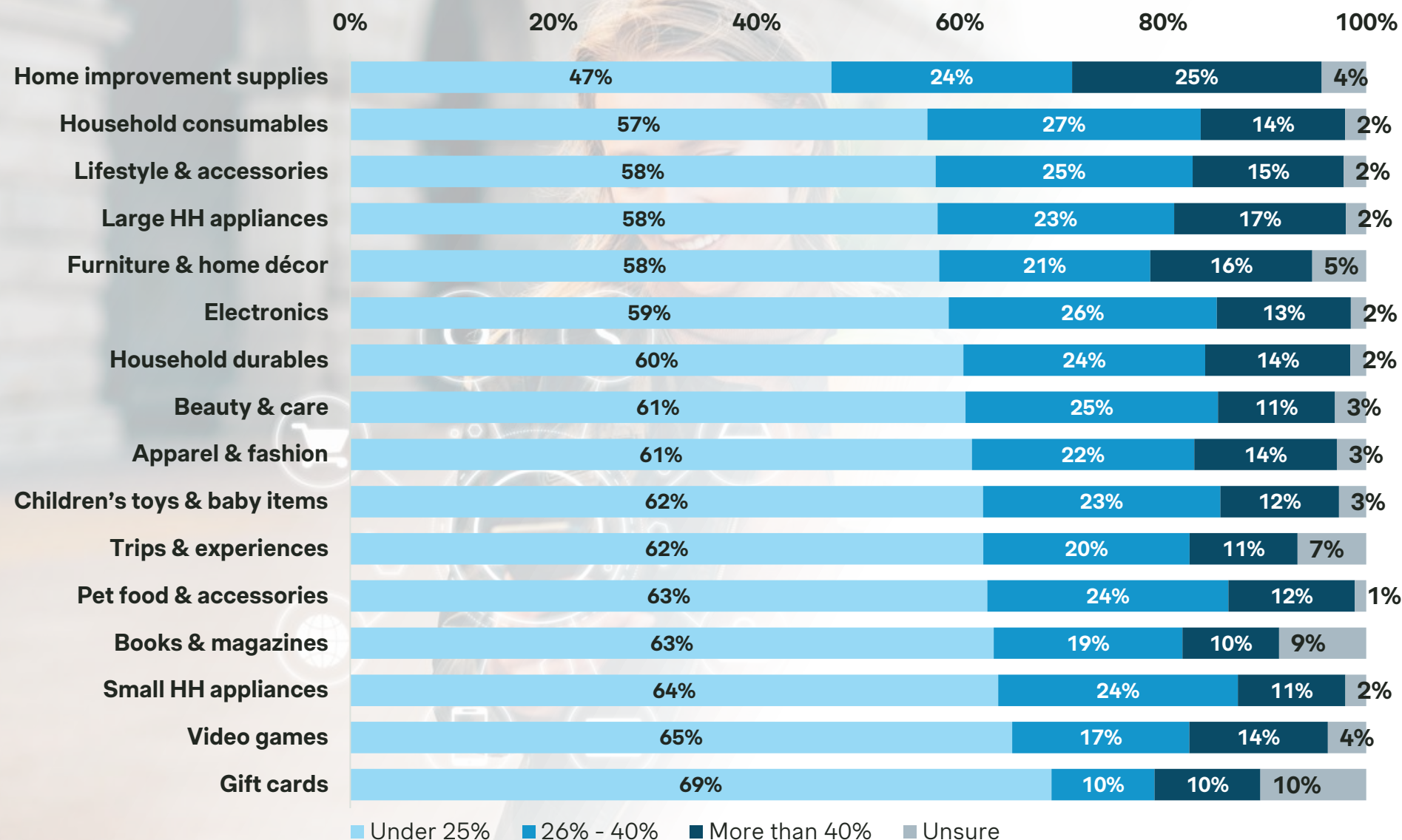


In 2025, consumers indicate **similar discount expectations** compared to 2024

While discount expectations remain slightly lower for lower-cost items (below \$100) than for more expensive items (\$250+), this gap is marginal

Source: Simon-Kucher's Holiday Shopping Report Summer 2025 Insights  
Q: What do you expect the discounts to be during this year's holiday shopping season?  
Simon-Kucher | Holiday Shopping Report | Summer 2025 Insights

## Across categories, discounts up to 25% remain the norm



### Key insights

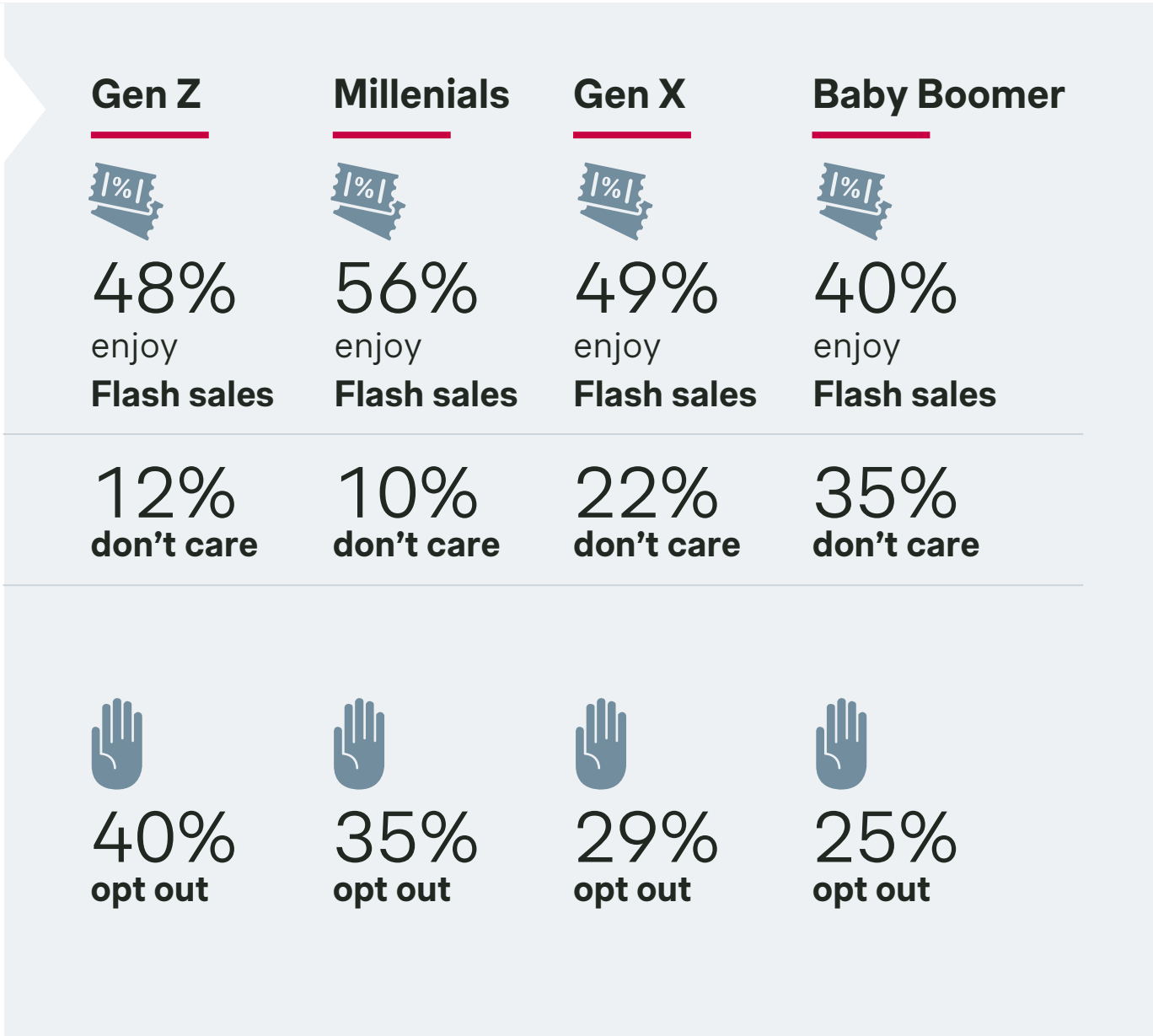
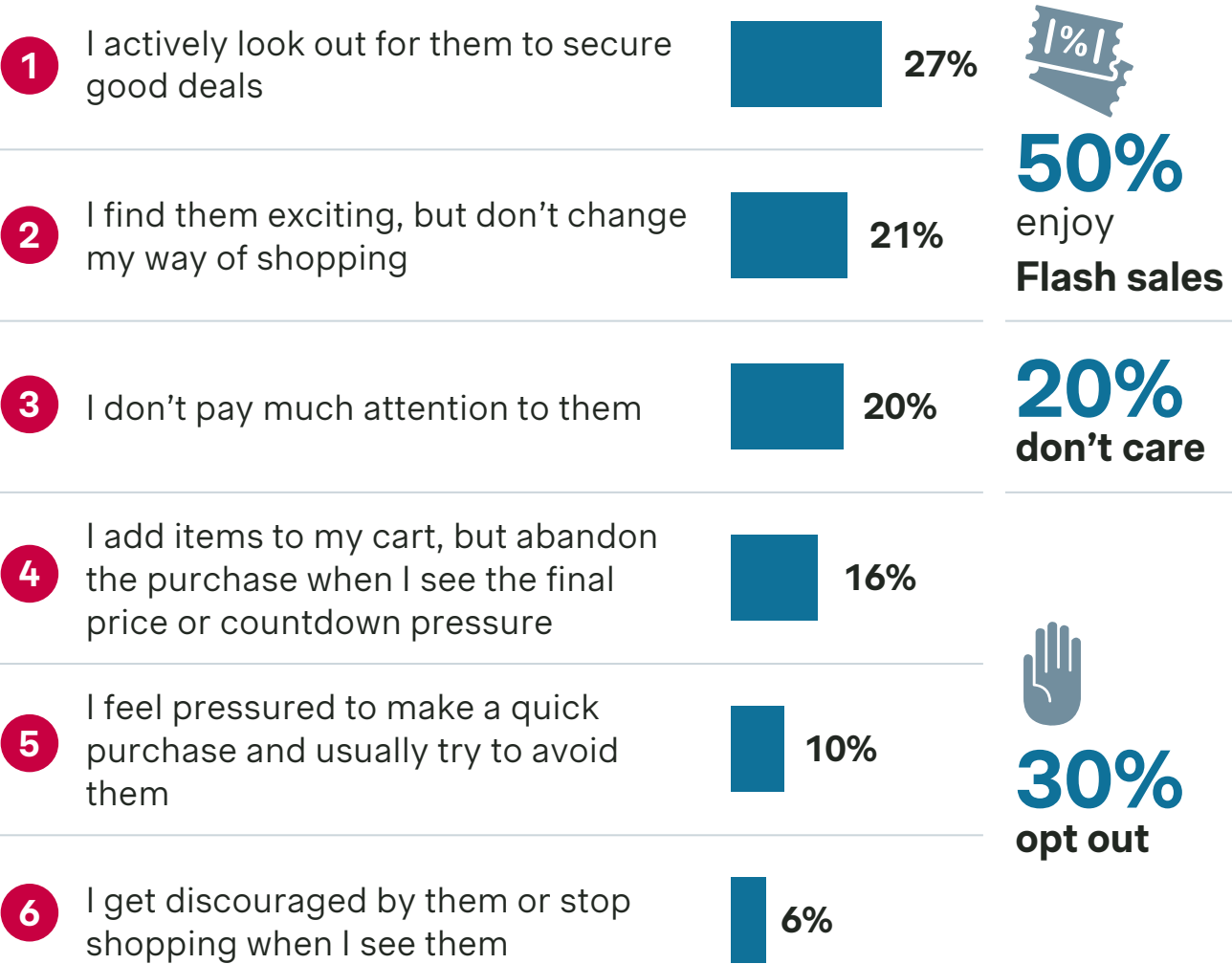


Most shoppers anticipate **discounts capped at 25%**, with higher expectations only for select big-ticket items



Flash sales polarize across generations

Perception



Source: Simon-Kucher's Holiday Shopping Report Summer 2025 Insights  
Q: How do you feel about flash sales that are only available for a short window (e.g. 1h time limit) or end quickly because of "low stock" urgency messaging?  
Simon-Kucher | Holiday Shopping Report | Summer 2025 Insights



# 2.

## Purchasing behavior

“Holiday shoppers now plan early, look to social media for inspiration, and expect seamless experiences, creating opportunities for businesses to engage earlier and simplify the path to purchase.”

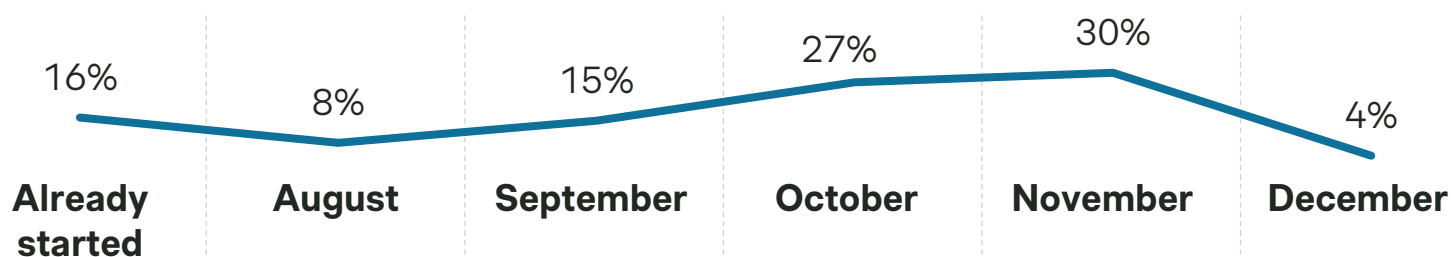
**Max Walter**

*Director, Consumer & Retail North America*

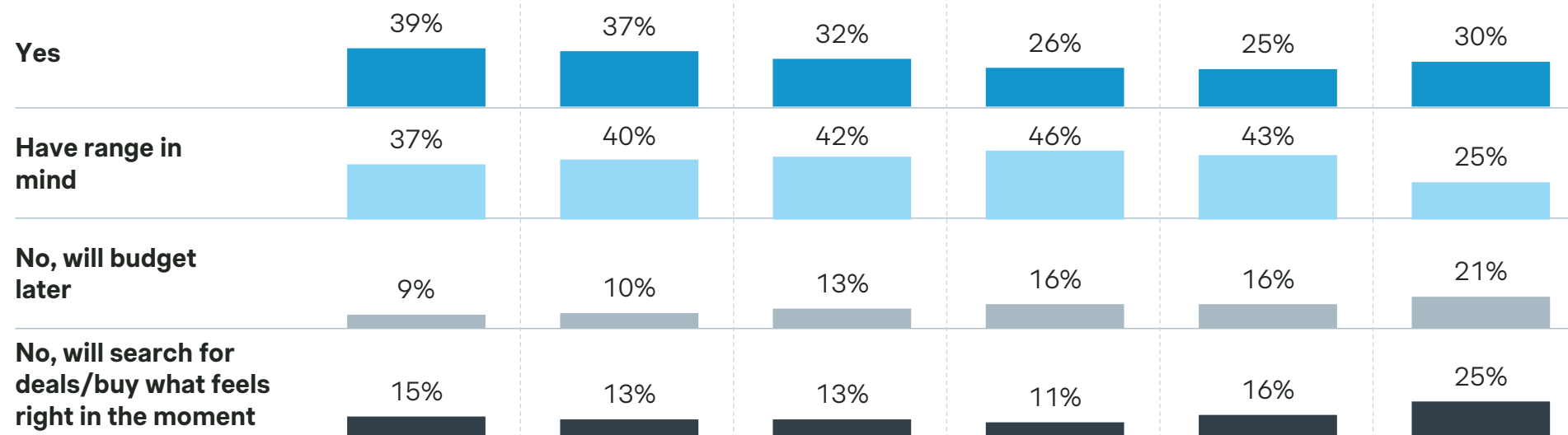
## When consumers start holiday shopping – with or without budgets

### Holiday shopping budget plan and when consumers begin holiday shopping

#### When consumers start shopping



#### Do they have a budget?



### Key insights



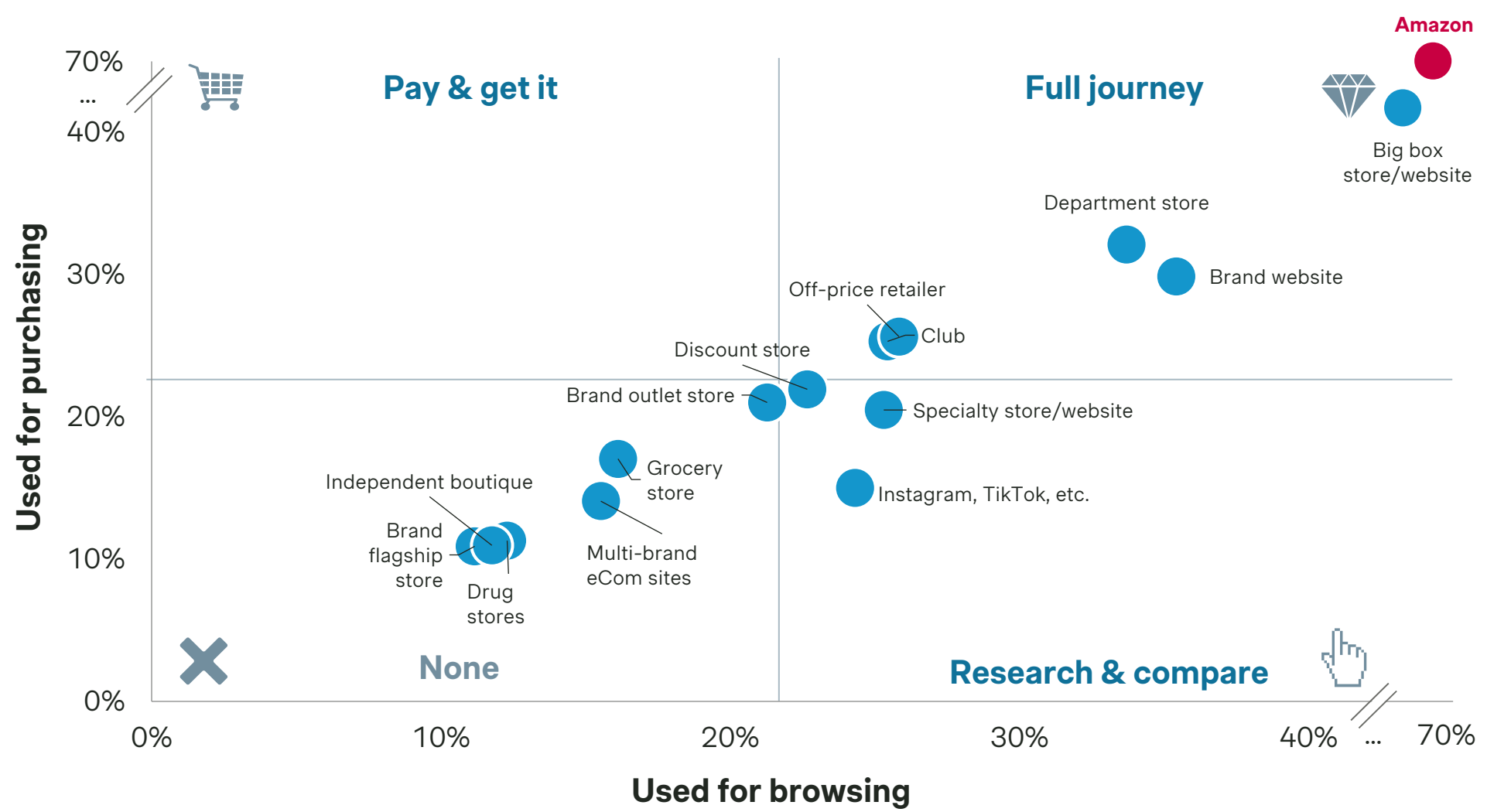
**Deal-focused consumers without a set budget tend to delay holiday shopping until November or December**

Early shoppers, by contrast, spread their purchases across events beyond Black Friday and are less convinced it delivers the best deals



# The roles different channels play in the research and purchasing journey

## Channels used for browsing & purchasing products during holiday shopping season



## Key insights

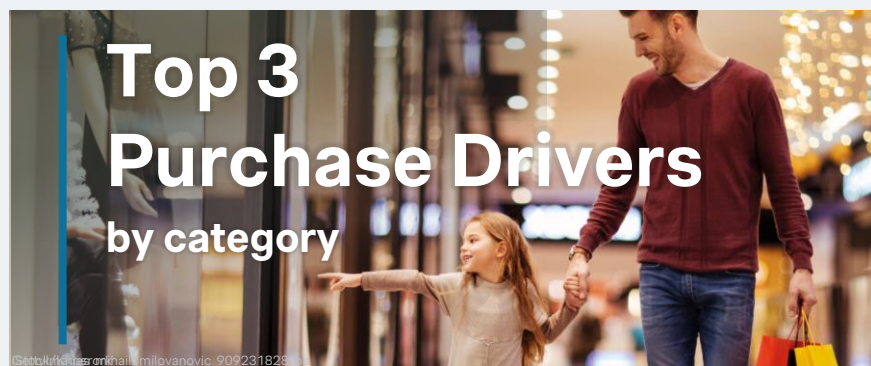


**Amazon and big-box retailers serve as end-to-end shopping destinations,** while other channels play more limited roles in research or specific purchase steps

Flagship stores, boutiques, and drugstores have only a minor role in planned holiday shopping

Source: Simon-Kucher's Holiday Shopping Report Summer 2025 Insights  
Q: Which channels do you normally visit to browse (inform your purchasing decision) and which for actually making the purchase during the holiday shopping season?

# Quality and price after discounts remain the **top purchase drivers across categories**



## Furniture & home décor

- 1 Price after discounts
- 2 Product quality
- 3 Type of seller

## Electronics

- 1 Price after discounts
- 2 Product quality
- 3 Brand

## Pet food & accessories

- 1 Price after discounts
- 2 Product quality
- 3 Return policy

## Books & magazines

- 1 Price after discounts
- 2 Convenience
- 3 Product quality

## Household consumables

- 1 Product quality
- 2 Price after discounts
- 3 Brand

## Small HH appliances

- 1 Product quality
- 2 Price after discounts
- 3 Brand

## Apparel & fashion

- 1 Product quality
- 2 Price after discounts
- 3 Brand

## Beauty & care products

- 1 Product quality
- 2 Price after discounts
- 3 Brand

## Lifestyle & accessories

- 1 Product quality
- 2 Price after discounts
- 3 Brand

## Children's toys & baby items

- 1 Product quality
- 2 Price after discounts
- 3 Brand

## Household durables

- 1 Product quality
- 2 Price after discounts
- 3 Brand

## Large HH appliances

- 1 Product quality
- 2 Price after discounts
- 3 Brand

## Home improvement supplies

- 1 Review / testimonials
- 2 Type of seller
- 3 Shopping experience

## Video games

- 1 Brand
- 2 Price after discounts
- 3 Review / testimonials

## Gift cards

- 1 Convenience
- 2 Brand
- 3 Shopping experience

## Trips & experiences

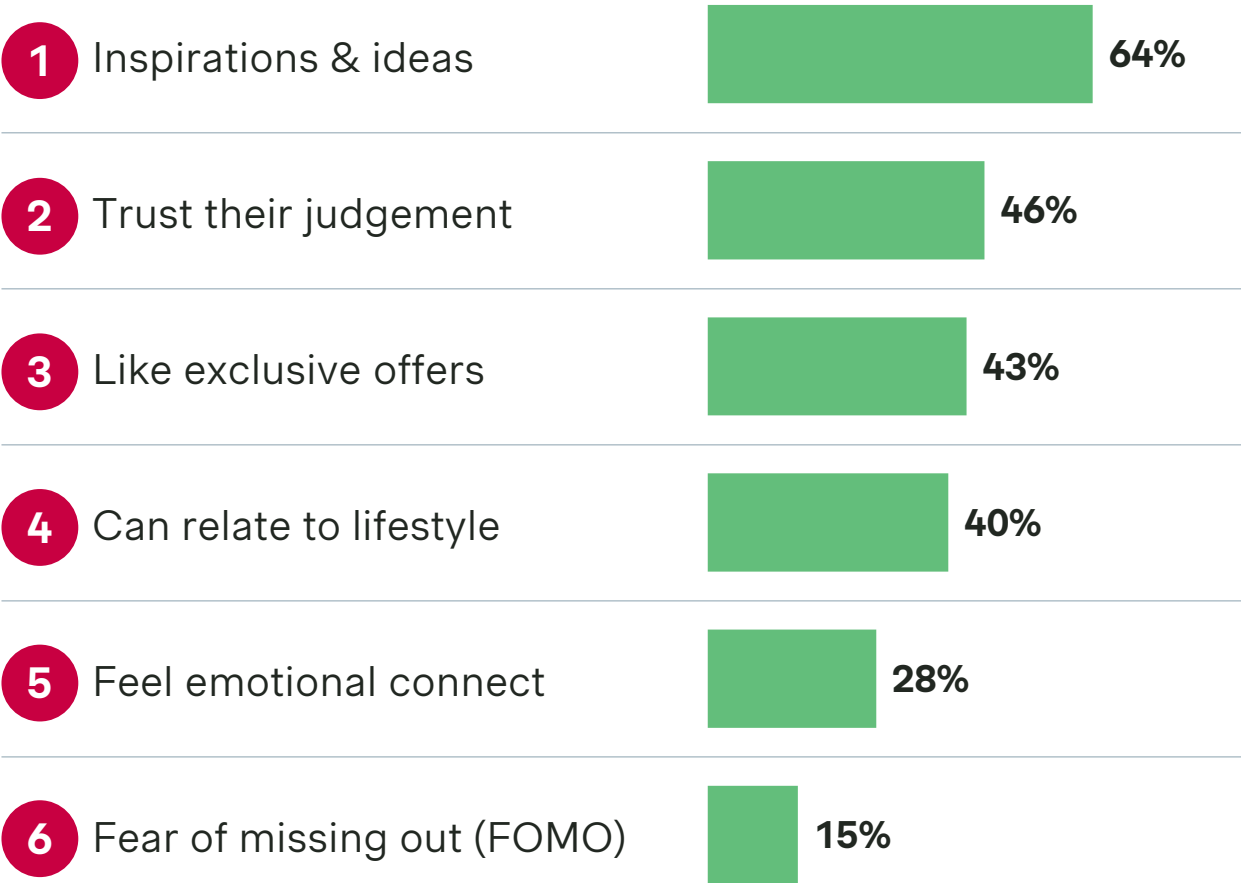
- 1 Convenience
- 2 Product quality
- 3 Review / testimonials

Source: Simon-Kucher's Holiday Shopping Report Summer 2025 Insights

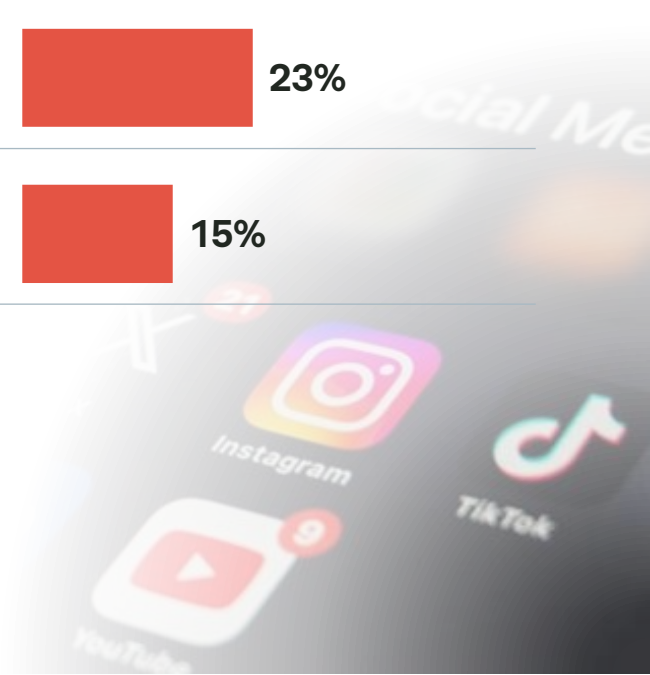
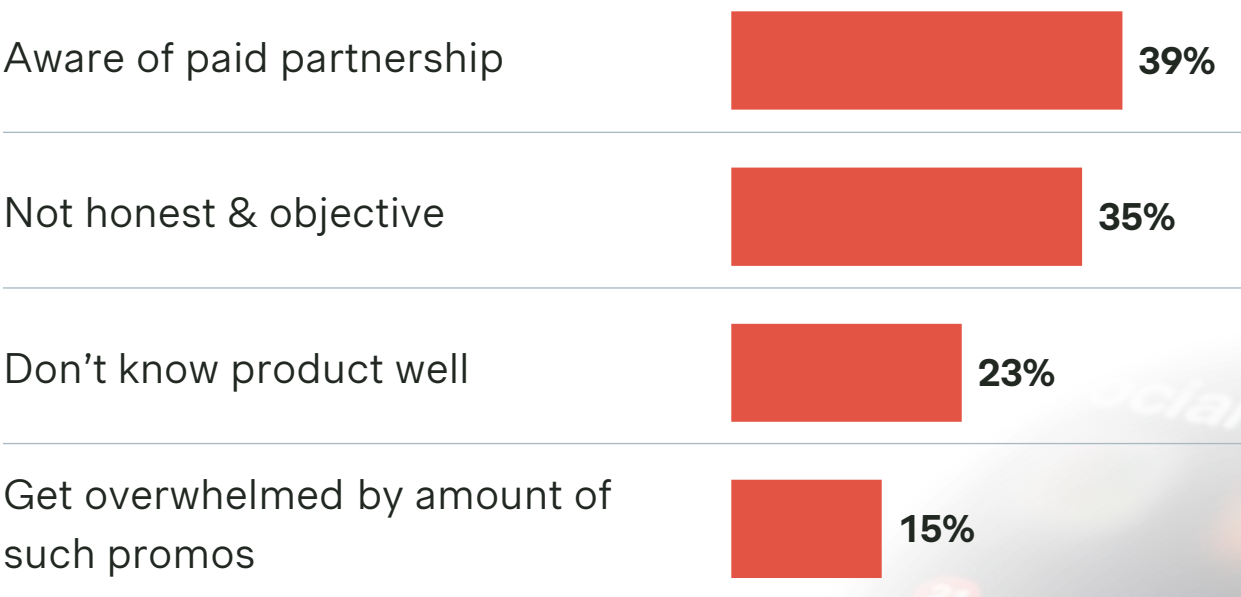
Q: Below is a list of factors you might think about when making purchases within the following categories during the upcoming holiday shopping season. Please rank the top 3 criteria that are most important to you when deciding where to make a purchase, where 1 = most important.

Reasons consumers follow or reject influencer recommendations

Reasons for following influencers



Reasons to rejecting influencers



Source: Simon-Kucher's Holiday Shopping Report Summer 2025 Insights  
Q: Why are recommendations from influencers important to you? Please select all that apply.  
Q: Why are recommendations from influencers not relevant to you? Please select all that apply.





3.

# AI going mainstream

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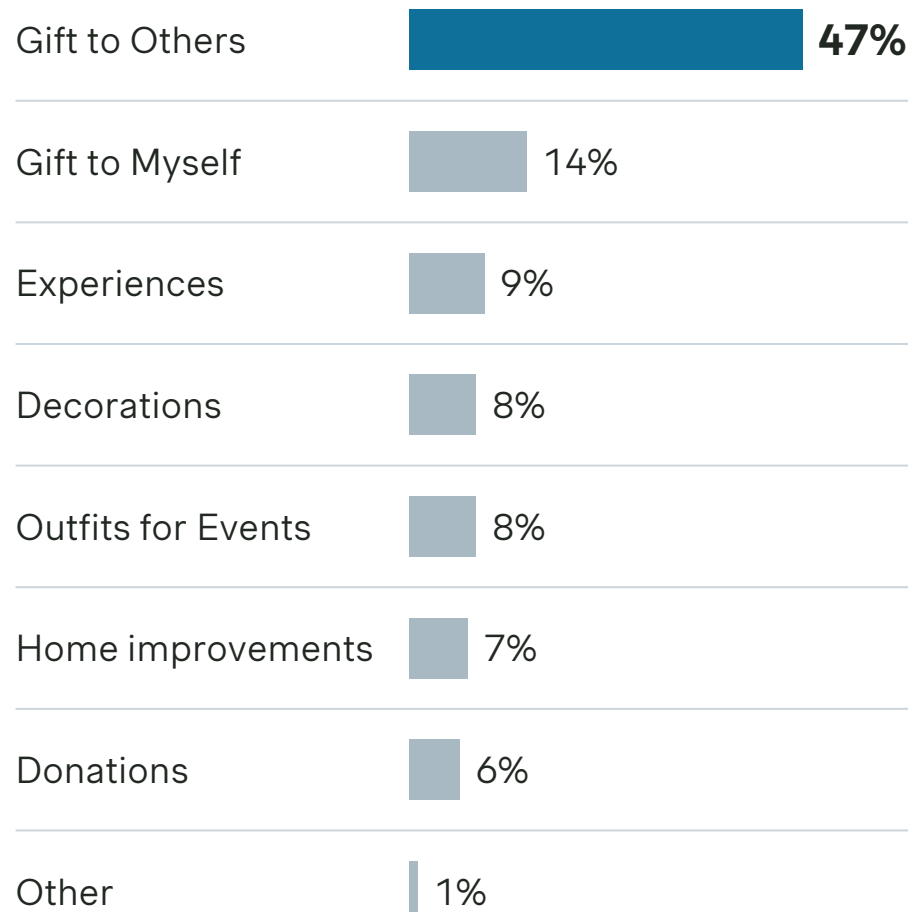
“AI is becoming a mainstream shopping tool, but trust issues mean many consumers still prefer to keep control of the gifting process”

***Max Walter***

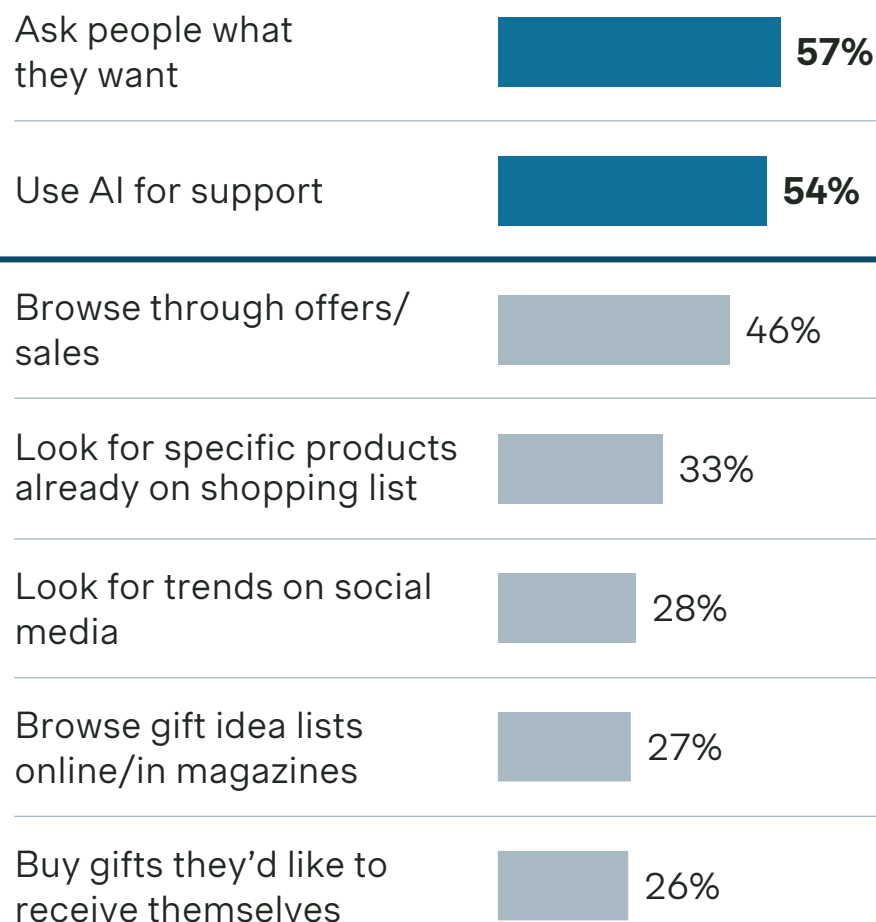
*Director, Consumer & Retail North America*

## Holiday budgets center on gifting, with AI now a key part of gift discovery

### Holiday expense categories



### How they find gifts & shop



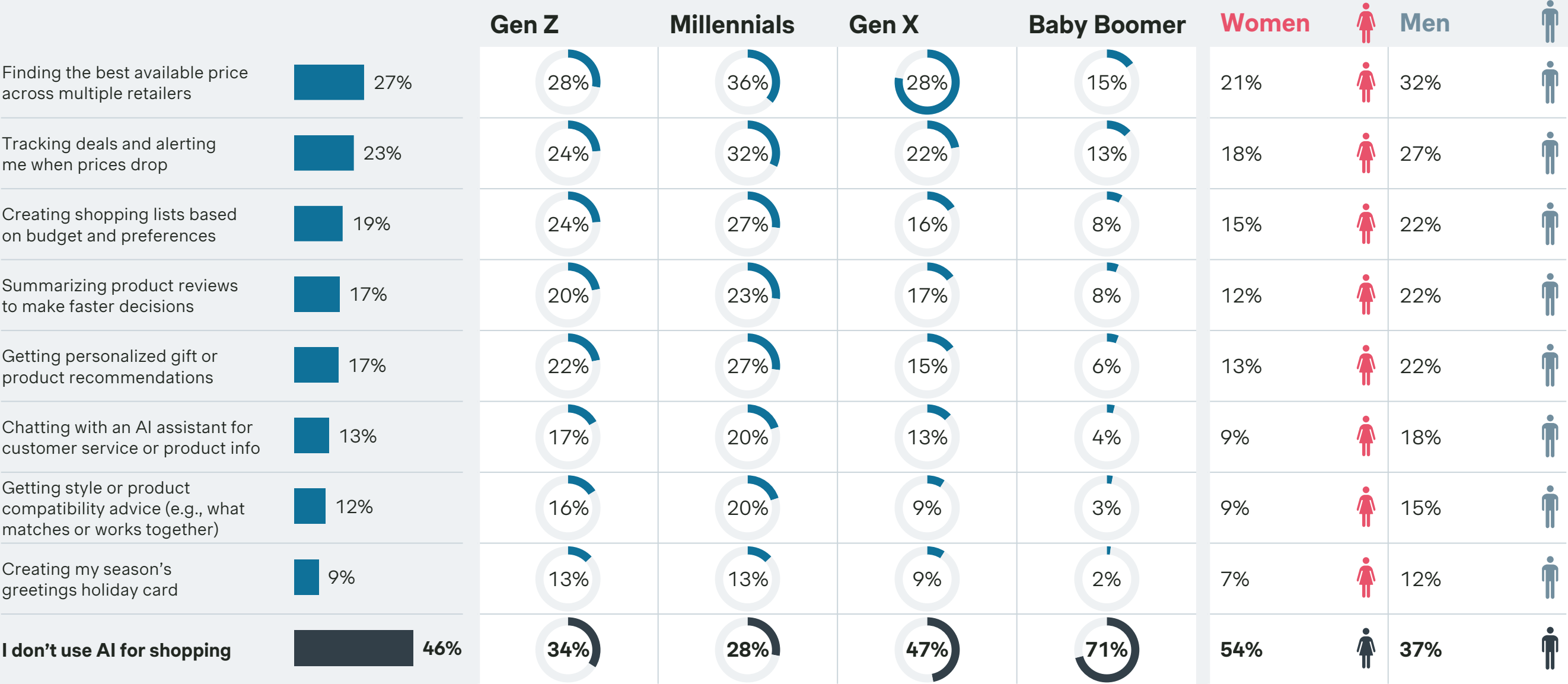
### Key insights



**Just about half of holiday budgets go toward gifts for others**, with most purchases reflecting recipients' wishes

AI is also playing a growing role in supporting the shopping process

AI use in holiday shopping varies sharply by generation and gender

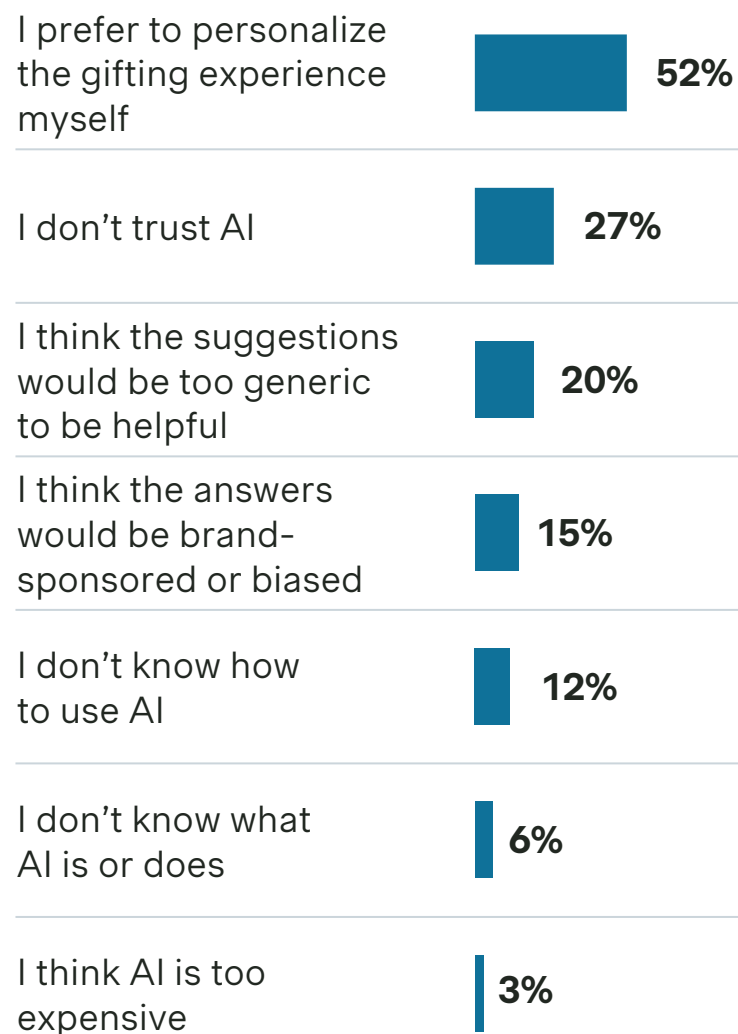


Source: Simon-Kucher's Holiday Shopping Report Summer 2025 Insights  
Q: How do you use AI for your holiday shopping season purchases?  
Simon-Kucher | Holiday Shopping Report | Summer 2025 Insights



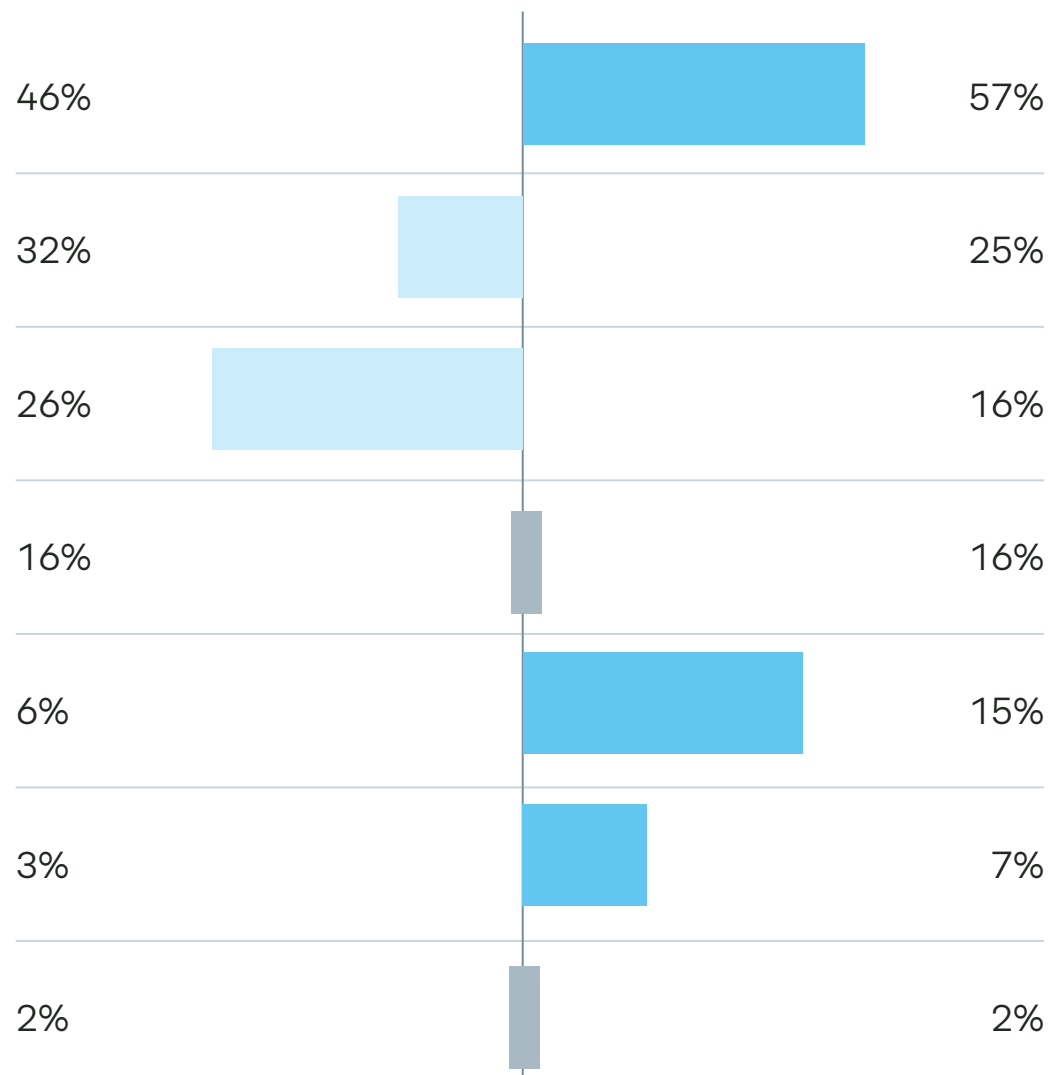
# Authenticity in gifting matters more than AI convenience

## AI rejection reasons



## Gen Z

## Baby Boomer



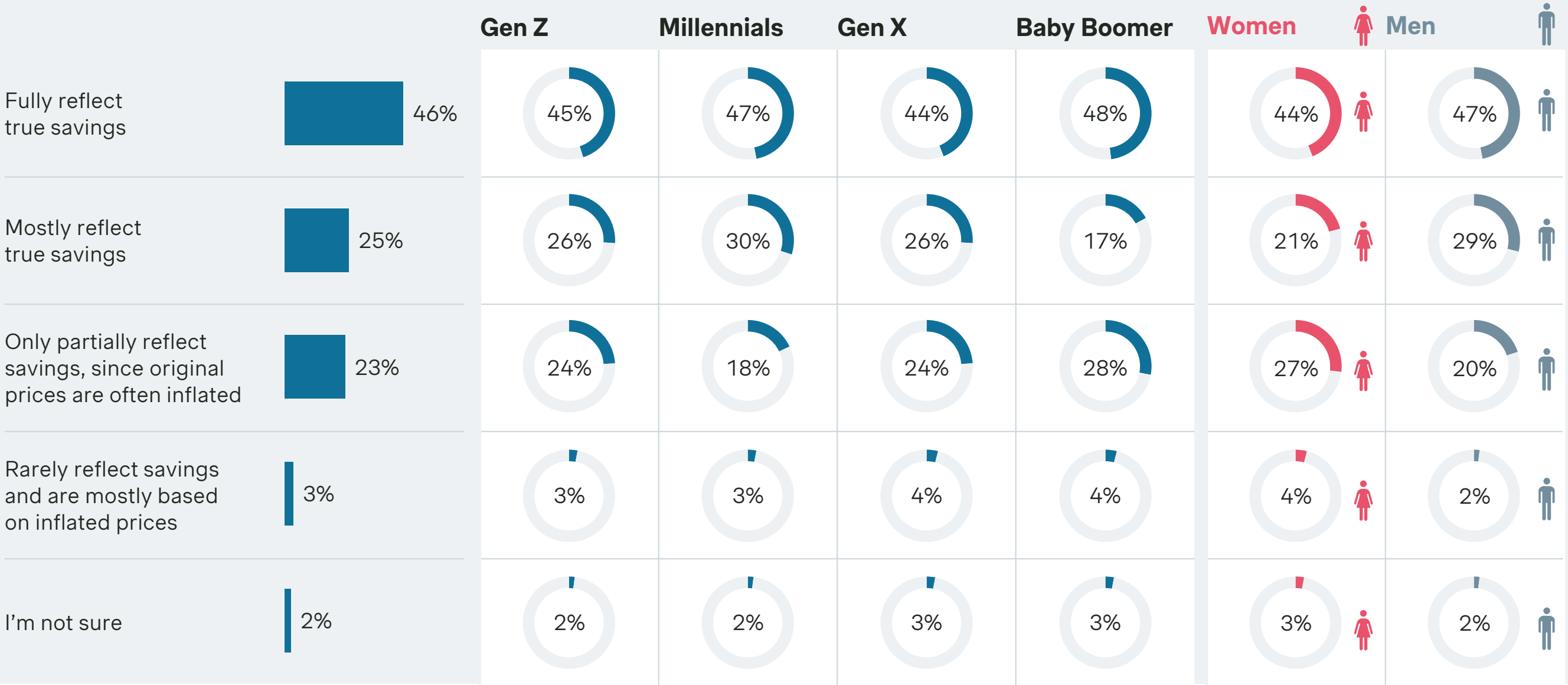
## Key insights



The main reason for rejecting AI across all generations, is the joy they get from going through the gifting experience themselves without any “short-cuts”

Gen Z trust AI less and think suggestions are not very helpful while Baby Boomers don't know what it is or how to use it

Consumers show strong trust in discounts, though some doubts remain



Source: Simon-Kucher's Holiday Shopping Report Summer 2025 Insights  
Q: How accurate do you feel the advertised discounts are compared to regular prices you've seen? Please select one  
Simon-Kucher | Holiday Shopping Report | Summer 2025 Insights



4 

# Disruption from tariffs

“Economic strain is influencing how consumers approach holiday spending. Businesses that combine affordability with a compelling value story will capture consumer confidence.”

**Shikha Jain**

*Partner and Head of Consumer & Retail for North America*

## Tariffs impact decisions and shopping behavior of consumers – to different extents

### Tariffs influencing shopping decisions

44% are meaningfully influenced

Significantly

17%

Moderately

27%

A little

33%

Not at all

23%

### Actions to adapt to tariffs

Waiting for deals & discounts

53%

Plan to buy earlier to avoid higher prices

31%

Reduce number of items on shopping list

31%

Shopping in different stores (e.g. Outlets)

26%

Purchasing more Made in USA

25%

Switching to private label

20%

### Key insights



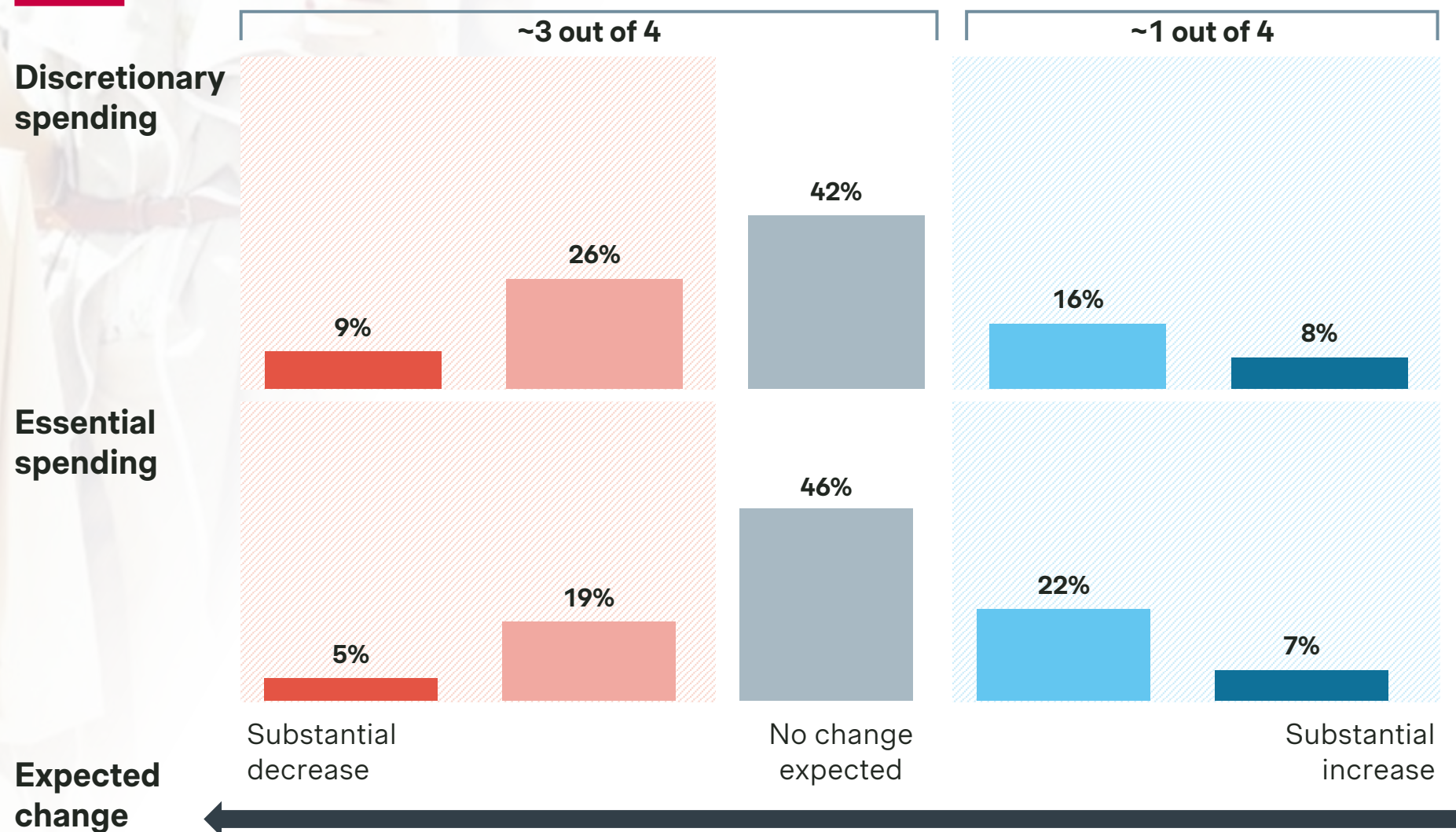
**While not all consumers are affected by tariffs to the same degree, more than 3 in 4 expect the situation impacting their decisions**

While looking for deals and discounts is most popular, shoppers apply different strategies to cope with price increases



## Discretionary budgets stay flat as shoppers remain cautious

### Expectation of discretionary and essential spending in next 12 months



### Key insights



#### Most consumers view holiday expenses as discretionary

With 3 out of 4 not planning to increase discretionary or essential spending in the coming year, we may see a spending surge in late 2025, followed by a more restrained approach in early 2026

Source: Simon-Kucher's Holiday Shopping Report Summer 2025 Insights

Q: Given the current economic environment, how are you expecting your discretionary spending to change in the next 12 months? How are you expecting your essential spending to change in the next 12 months?

## Plus: Who is NOT shopping for the holiday season – and why?



# 19%

of US consumers initially surveyed said they were not planning on shopping for the 2025 holiday season.<sup>1</sup>

They were asked only one additional question:

## Why not?

1	I think the holidays are too “commercialized”	59% agree
2	My <b>financial situation</b> does not allow me to participate in holiday shopping the way I would want to	45% agree
3	I’m looking for <b>alternative gift categories</b> such as homemade gifts and/or experiences	29% agree
4	The holidays associated holiday season are <b>not relevant</b> for my shopping	27% agree
5	<b>Someone else</b> in household typically does the shopping	18% agree

### Key insights



Consumers opting out of 2025 holiday shopping fall into two groups:

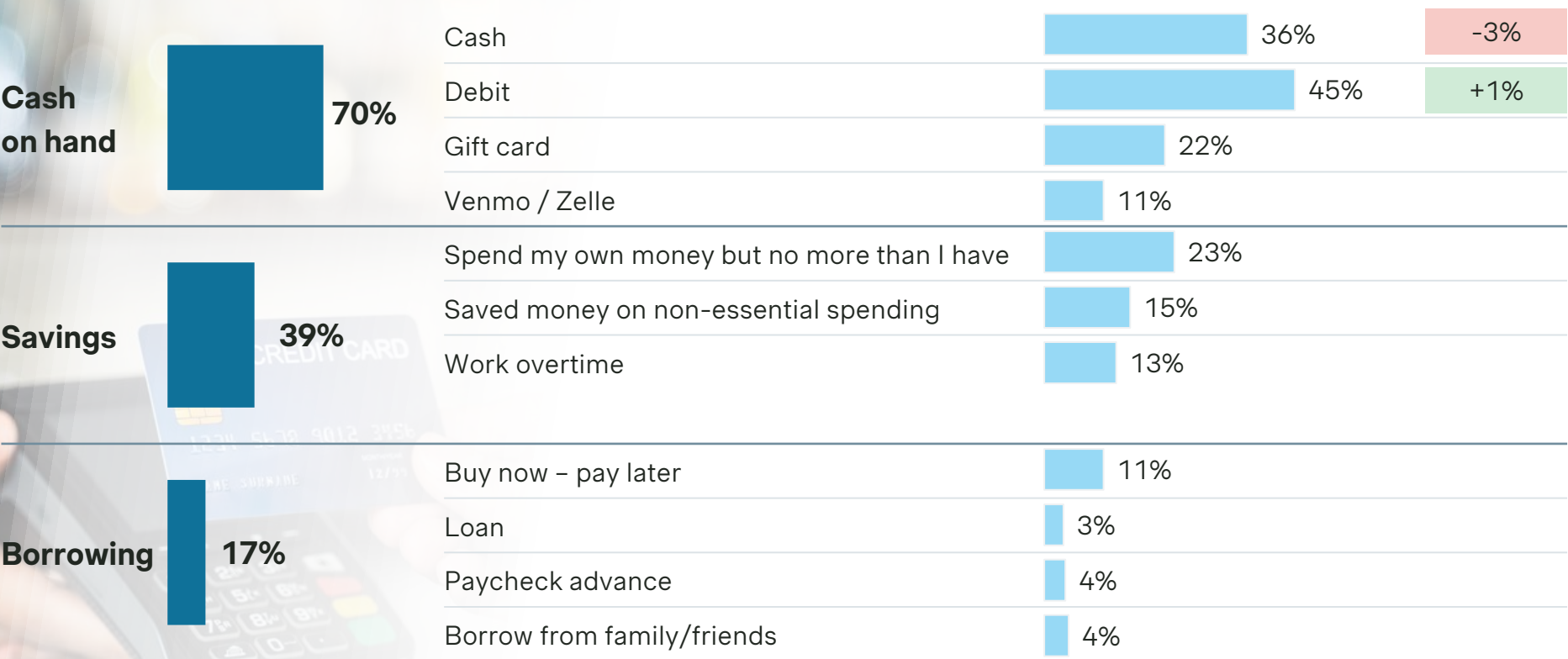
- Those rejecting over commercialization
- Those constrained by tighter budgets

Reflecting both a values-driven shift and financial pressures shaping the market.

# How consumers plan to fund their holiday spending

## Payment methods consumers plan to use for seasonal shopping in 2025

Δ vs. 2024  
(in %pts)



Average # of payment methods used...

2.4



## Key insights



With consumers avoiding debt in favor of cash, **financial control is becoming a key driver of holiday spending behavior**



# Seven-year itch

“As traditional sales events fade and discount expectations normalize, growth will come from balancing pricing discipline with stronger omnichannel engagement.”

***Shikha Jain***

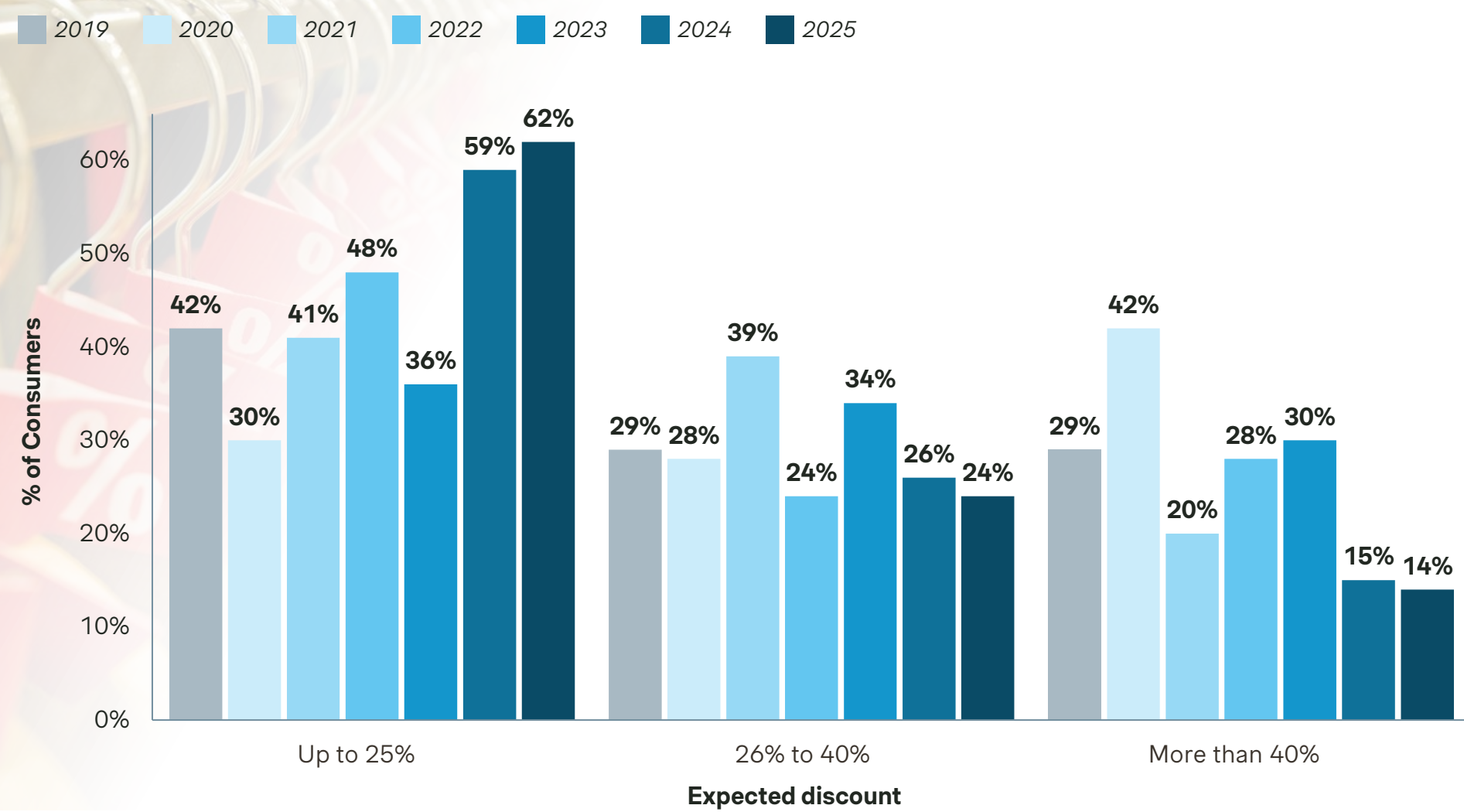
*Partner and Head of Consumer Retail for North America*

5.



Consumer expectations for discounts have decreased since 2023

Year-over-year expected discounts levels for holiday shopping season 2019-2025



Key Insights



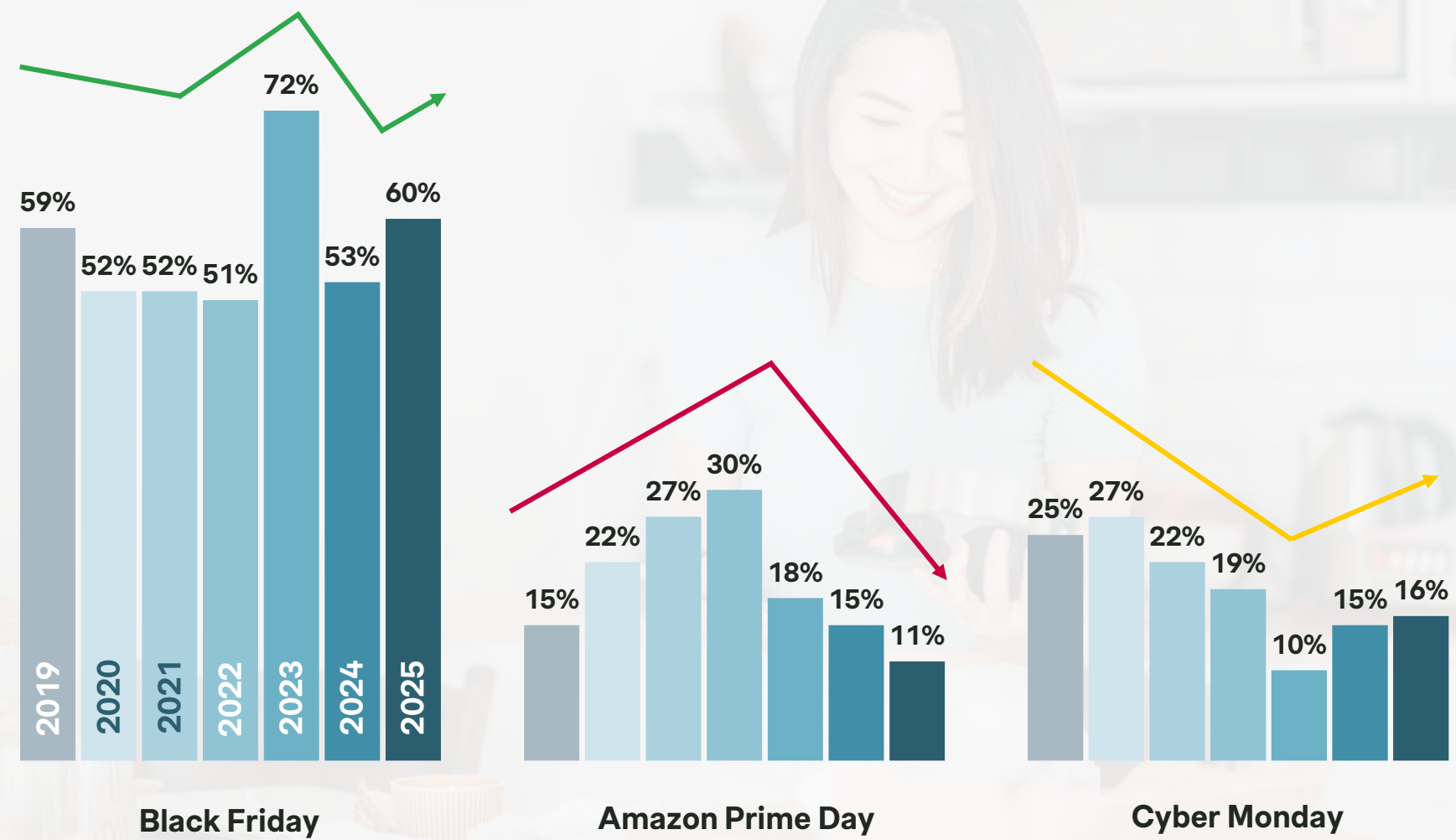
Discount expectations have normalized, with most consumers anticipating 25% or less and only a minority seeking 26-40%

The time of 40%+ expectations peaked during the pandemic and has since declined

Source: Simon-Kucher 2019-2025 US Holiday Shopping Reports  
Q: What do you expect the discounts to be during this year's holiday shopping season?  
Simon-Kucher | Holiday Shopping Report | Summer 2025 Insights

## Favorable perception of promotional events continually dominated by Black Friday

### PERCEPTION OF WHERE THE BEST DEAL WILL BE OFFERED DURING PROMOTIONAL DAYS



  
**Most consumers continue to see Black Friday as offering the best deals**

Perceptions of Amazon Prime Day have steadily declined since 2022, now falling below 2019 levels, while confidence in Cyber Monday has modestly rebounded over the past two years

Channel relevance has seen shift towards Amazon and social media platforms

No significant change   Increase   Decrease

Holiday shopping purchase channels	Relevance in 2025 (% of consumers who made a purchase on these channels)	Δ in relevance vs. previous years
Amazon	70%	↑
Big box store/website	50%	↓
Department store/website	32%	—
Brand website	30%	—
Off-price retailer	26%	↓
Club	25%	↓
Brand outlet store	21%	↓
Specialty store/website	20%	↓
Instagram, TikTok, etc.	15%	↑
Multi-brand ecommerce websites	14%	↓
Independent boutique	11%	↓
Brand flagship store	11%	—

Source: Simon-Kucher 2024-2025 US Holiday Shopping Reports| Significant change = 2% difference or greater  
Q: Which channels do you normally visit to make a purchase during the holiday shopping season?



Holiday shopping on Amazon and social media channels has increased compared to previous years

While Instagram and TikTok continue to gain traction, they remain used more for browsing than for direct purchasing



6.

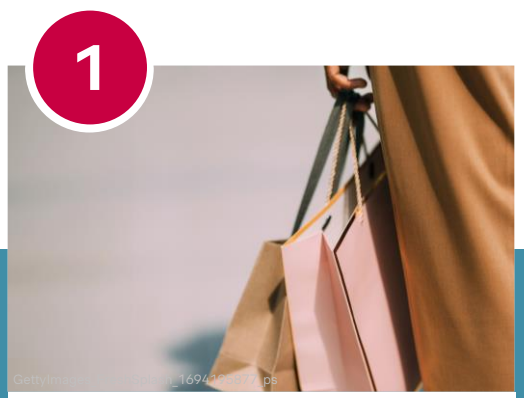
# What this means for business leaders

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# 2025 Holiday Shopping Trends: What this means for businesses

Translating insights into actions



1

## Trends in spending

- Prioritize visibility and competitiveness in key channels by capturing relevant price points
- Ensure a favorable price vs. value balance addressing your target segment(s)
- Diversify promotional calendar beyond Black Friday with new narratives around value, experience or exclusivity
- Design promotions to encourage cross-sell & upsell
- Keep pricing credible: avoid inflated base prices and highlight genuine savings



2

## Purchasing behavior

- Convert inspiration into sales with shoppable content and integrations
- Engage with customers via “what I’m gifting” formats to bridge potential discovery-to-decision gaps
- Reinforce planning with budget filters and wish lists
- Strengthen Amazon/ marketplace presence while using DTC exclusives to differentiate
- Optimize returns experience and improve fit guidance to maintain low return rates



3

## AI going mainstream

- Build AI-enabled shopping assistants for personalized gifting recommendations
- Integrate AI price comparison and deal-finder features into brand-owned apps to reduce leakage to third-party tools
- Use AI to power dynamic cross-sell suggestions during checkout
- Emphasize transparency of AI features and tailor adoption by segment: speed for younger generations, guidance for older generations



4

## Disruption from tariffs

- Reframe value around joy, versatility & product longevity
- Offer accessible entry-priced SKUs or reduced formats to preserve brand positioning without deep discounting
- Reward loyalty with smart-savings mechanisms for value-seeking shoppers
- Highlight sourcing transparency (“Made in USA”) or local origin stories to strengthen trust with shoppers
- Diversify supply and fulfillment models to secure availability and avoid promotional gaps



5

## Seven-year itch: What has changed since ‘19

- Cap single-item discounts at 40%, more cuts rarely convert
- Create fresh event narratives beyond Black Friday such as “early access exclusives”
- Design promotional strategies that emphasize quality, gifting experience, and exclusivity rather than depth of discount
- Lean into omnichannel discovery but improve conversion mechanics to close sales
- Build brand positioning with add-on services, bundles, or exclusives for loyal customers

## Research overview



### The online study evaluates

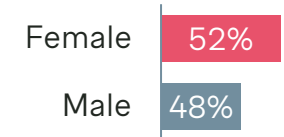
- ✓ 7 years of consumer shopping trends related to the Holiday Shopping season
- ✓ Impact of macroeconomic trends on shopping behavior



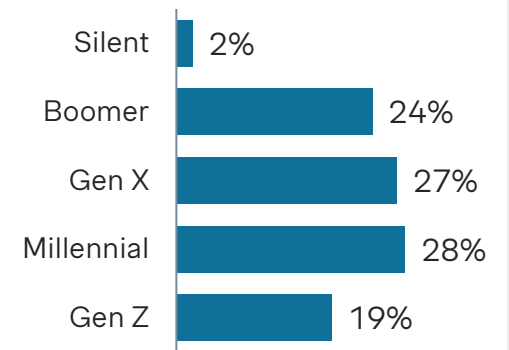
### United States

Sample size:  
~1,500  
everyday  
consumers

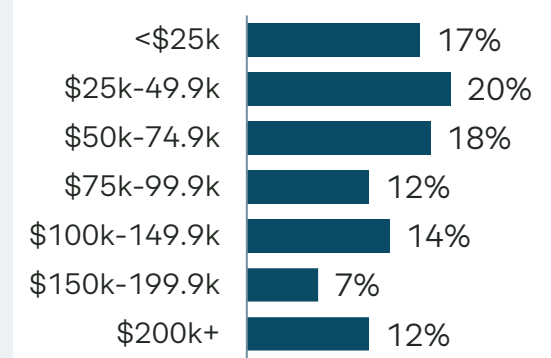
### Gender (%)



### Generation (%)



### Income (%)



## Methodology



Between July 25-31, 2025, Simon-Kucher conducted an anonymous survey of 1,513 US consumers

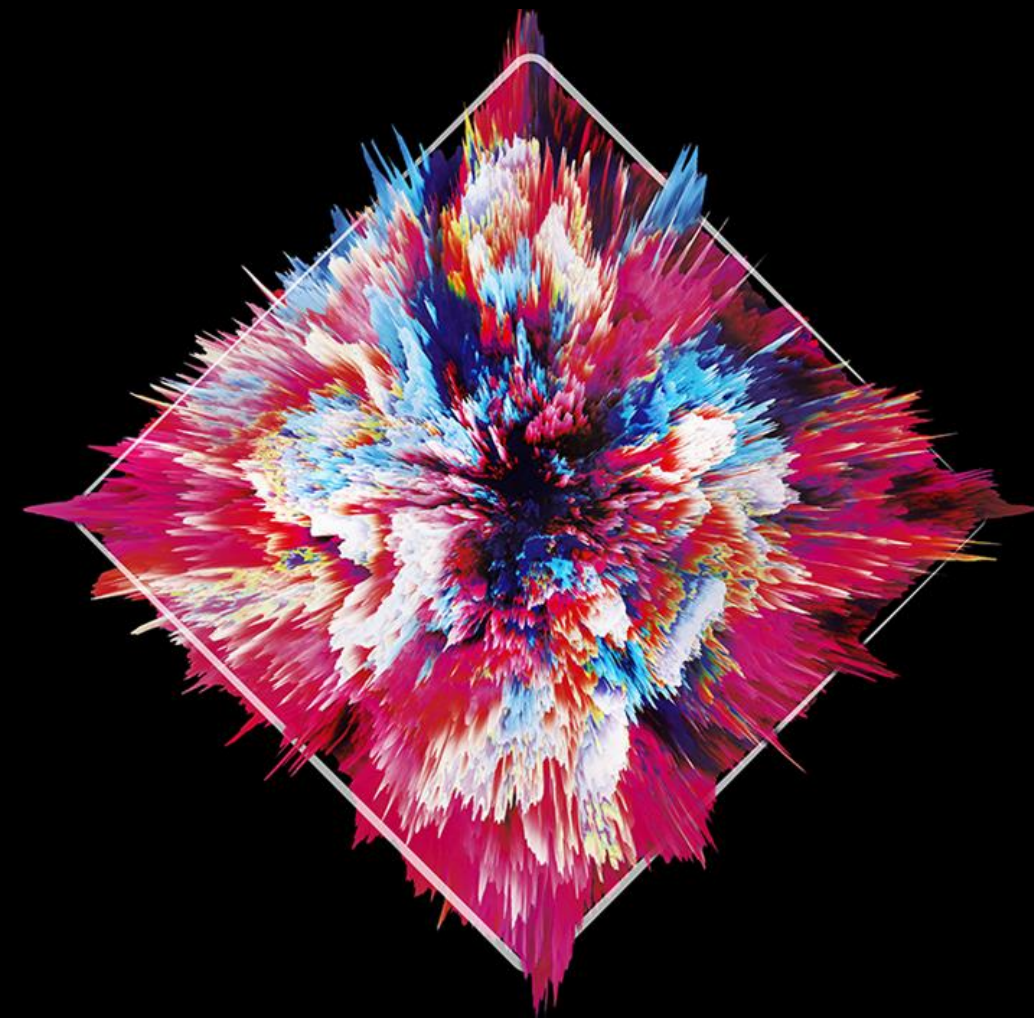
To determine the most accurate holiday spending predictions, we analyzed holiday spend per household with respect to actual US population distribution by household income level (as published by the US Census: [Household Income: HINC-06 \(census.gov\)](https://www.census.gov/hhes/hinc/data/hinc-06.html))

To most accurately represent the average US consumer, for the spending responses we examined both the absolute \$ amount stated as well as the % change compared to the previous year. We then excluded 5% on each end in order to focus on the median 90%.

## Using the data



We invite you to explore Simon-Kucher's **2025 Holiday Shopping Report** and to share, reference and publish the findings with attribution to Simon-Kucher and a link to this page. For additional information, including strategic recommendations for retail industry executives and specific data requests, please contact: [pr-inquiries@simon-kucher.com](mailto:pr-inquiries@simon-kucher.com)



**9 years in a row**



**1985**

founded

**46**

offices

**31**

countries

**2,000+**

employees

**200+**

partners

**Simon-Kucher is the leading global consulting firm specializing in**  
**Unlocking Better Growth ♦**

### **Our people**

- We are specialists in Commercial Strategy & Pricing Consulting, Transaction Services & Private Equity, Digital & Software
- Our partners and experienced leadership team are hands on and deliver results at pace

### **Our clients**

Our clients come from 120+ industries and range from Fortune and FTSE 100 firms to unicorns

### **Our sector expertise**

- Consumer
- Technology Media & Telecoms
- Financial Services
- Healthcare & Life Sciences
- Industrials

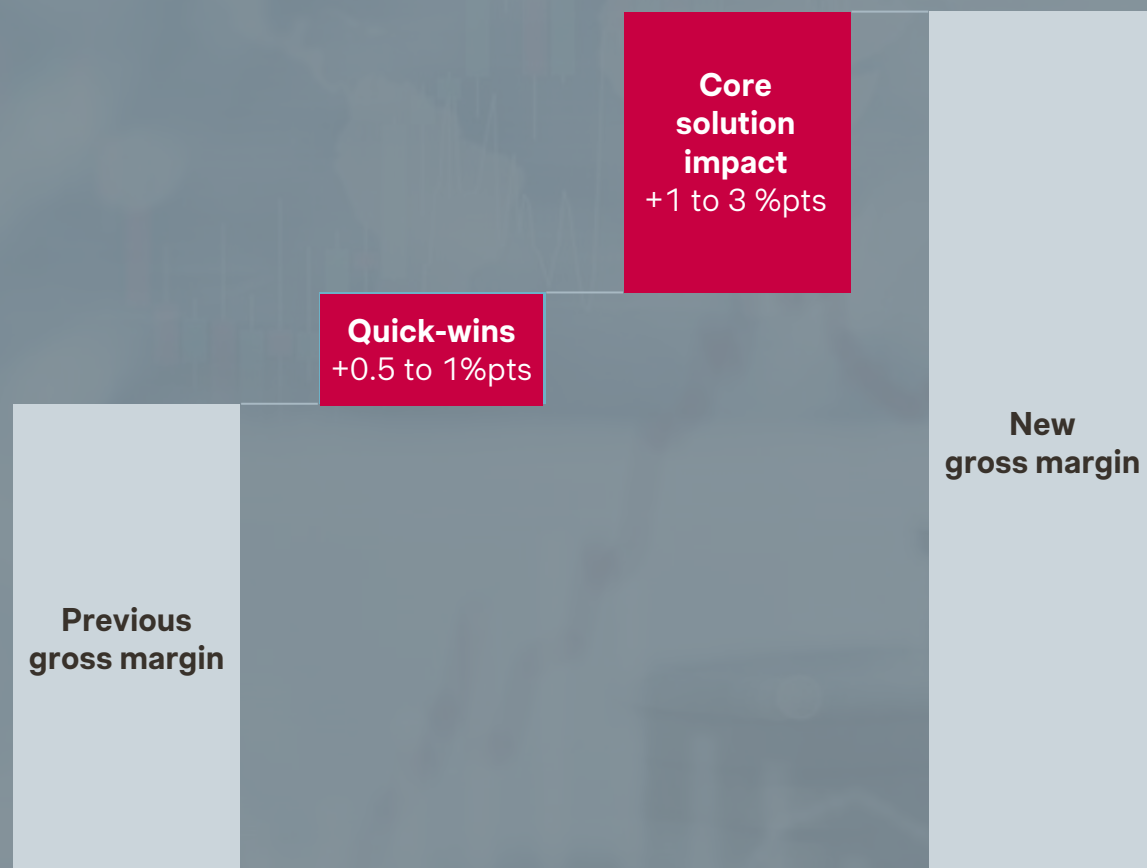
Source: Simon-Kucher

Simon-Kucher | Holiday Shopping Report | Summer 2025 Insights



## Simon-Kucher Client ROI: Our pricing, sales, and marketing projects deliver significant, rapid and sustainable profit improvement

### Illustrative Project Impact



### PROVEN IMPACT

**+3 to 5% pts**

**Gross margin improvement**

*average from >3,000 Simon-Kucher projects over the past 3 yrs*



### FAST PAYBACK

**< 4 months**

*through capture of quick-wins*



### HIGH ROI

Typical project generates **10-40X ROI**  
after 1<sup>st</sup> full year of implementation



# SIMON KUCHER

Unlocking better growth

[www.simon-kucher.com](http://www.simon-kucher.com)

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# Thank you!

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