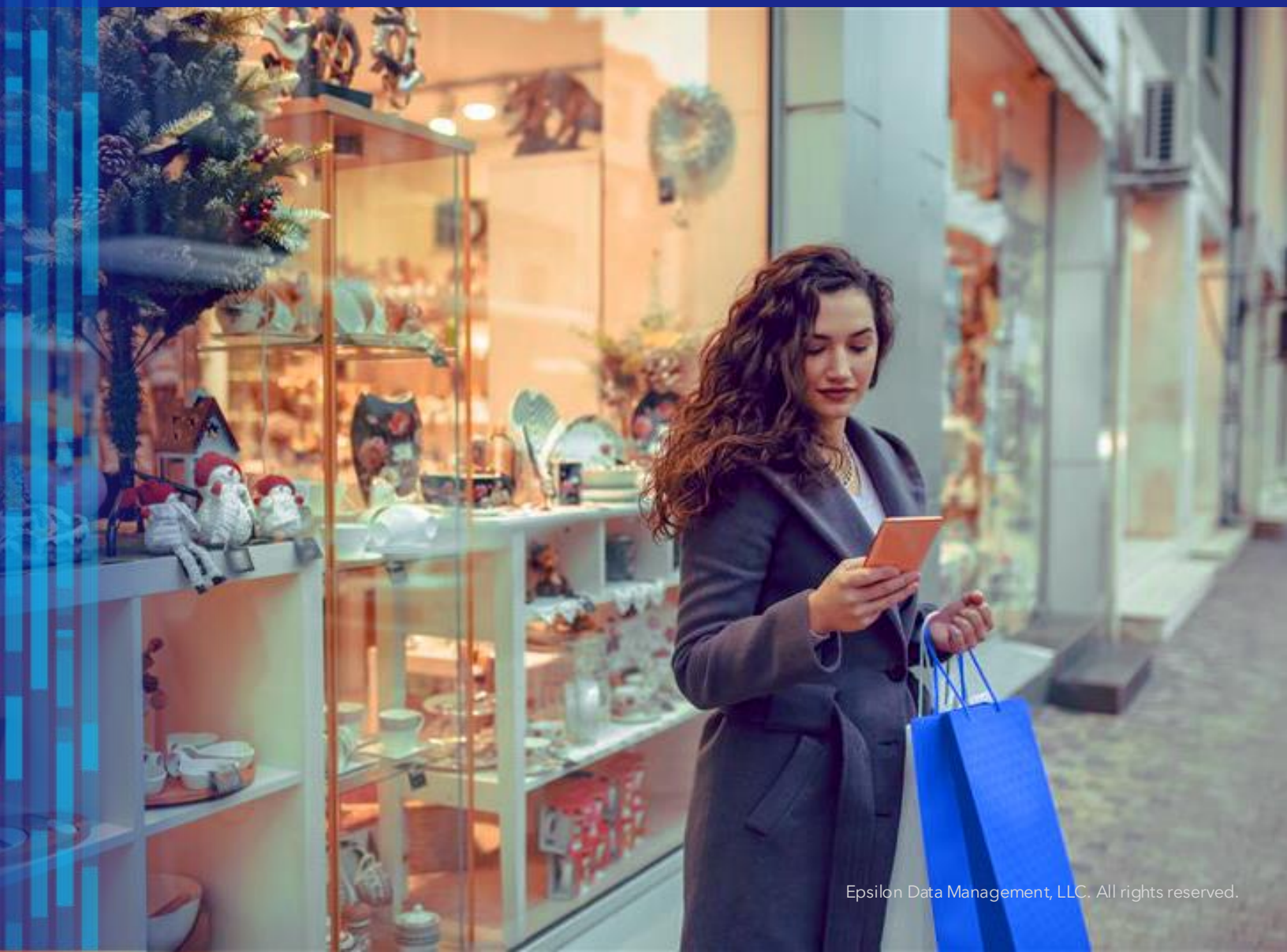


Holiday shopping insights

2025 retail trends, tariff impacts
and how consumers are using AI





Holiday 2025: A renewed time for joy and cheer

Despite a challenging economic climate, consumers across generations are ready to spend. Is your marketing ready to take advantage as December nears?

If last year was marked by post-election stress and tightening purse strings, this year, U.S. consumers are clinging to optimism and looking for ways to celebrate. But what does that mean for brands?

Despite fresh concerns over tariffs and the economy at large, consumers across generations are planning to spend more this holiday season, especially millennials. We're also seeing an increase in AI usage for holiday shopping and inspiration and an increase in holiday travel spending. How can brands capitalize on the excitement?

Keep reading to explore what consumers have to say about:

- How they're budgeting and spending across categories
- How tariffs are impacting their spending and cost-saving strategies
- Their preferred retailers and product/brand choices
- Whether they prefer to shop in-store or online for holiday items
- AI usage for holiday shopping and inspiration
- Social media and influencer impact on holiday shopping



Methodology

This online research study aims to evaluate U.S. consumer behavior related to holiday shopping, with a focus on planning and celebration approaches, budgeting strategies, spending habits, impact of tariffs, cost-saving approaches, shopping preferences and purchasing decisions.

Survey respondents

To qualify for the research, respondents had to be between 18 and 77 years of age and indicate they will be buying gifts for Christmas or Hannukah.

	Number of completes Total = 2,187	Sample distribution
Gen Z (18-28 years old)	332	15%
Millennials (29-44 years old)	542	25%
Gen X (45-60 years old)	684	31%
Boomers (61-77 years old)	629	29%

Survey data was collected from July 21 to July 30, 2025.

Key findings



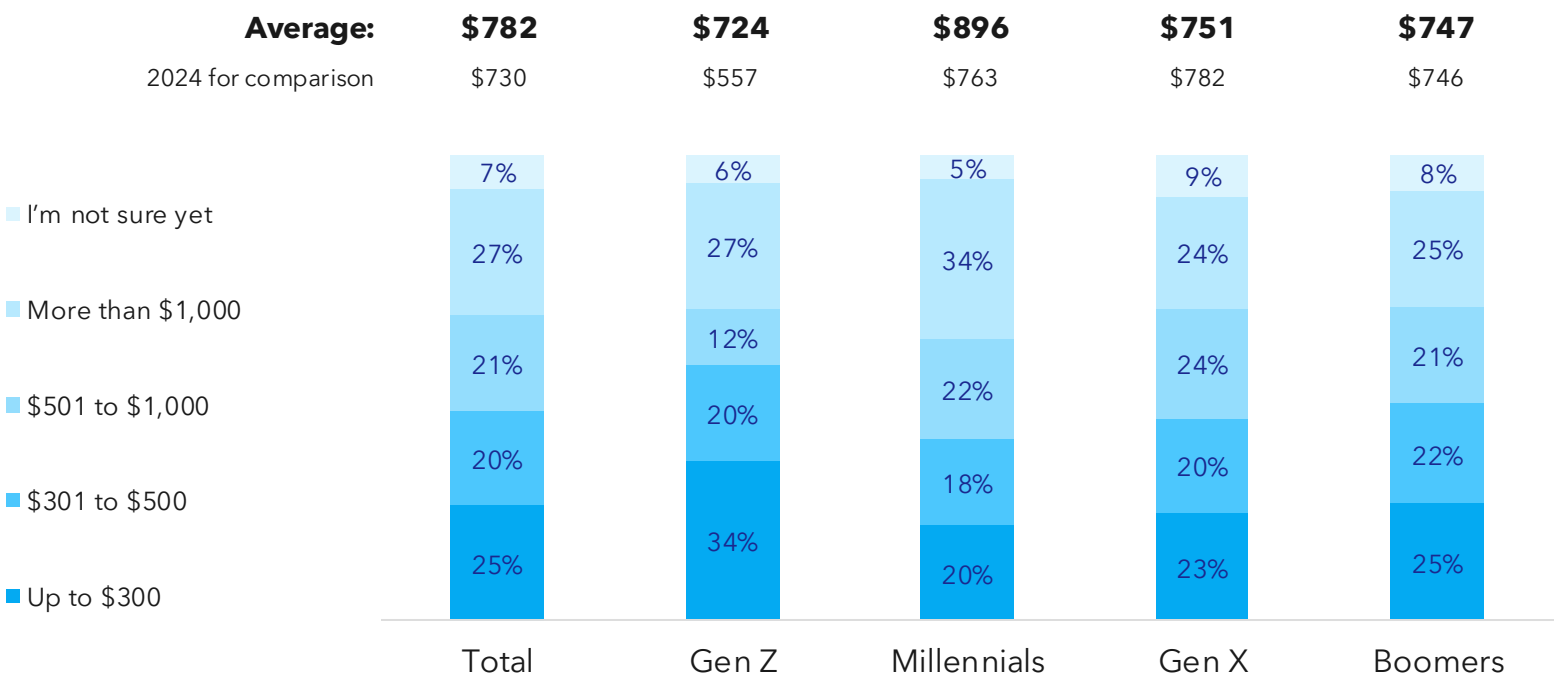
KEY FINDINGS

Consumer spending is looking up as we enter the holiday season, especially for millennials.

The top spending categories across generations include gifts and groceries for holiday meals and entertaining. 37% of Gen Z and millennials also plan to prioritize new clothing and outfits for holiday-related occasions.

Besides typical cost-saving measures like sales, discounts and coupons, younger generations are also looking for opportunities to price-match, thrift and regift. 50% of millennials and 51% of Gen X also plan to redeem loyalty points.

Expected total holiday spending for 2025



30%

year-over-year increase in millennials who plan to spend \$1,000 or more on holiday shopping

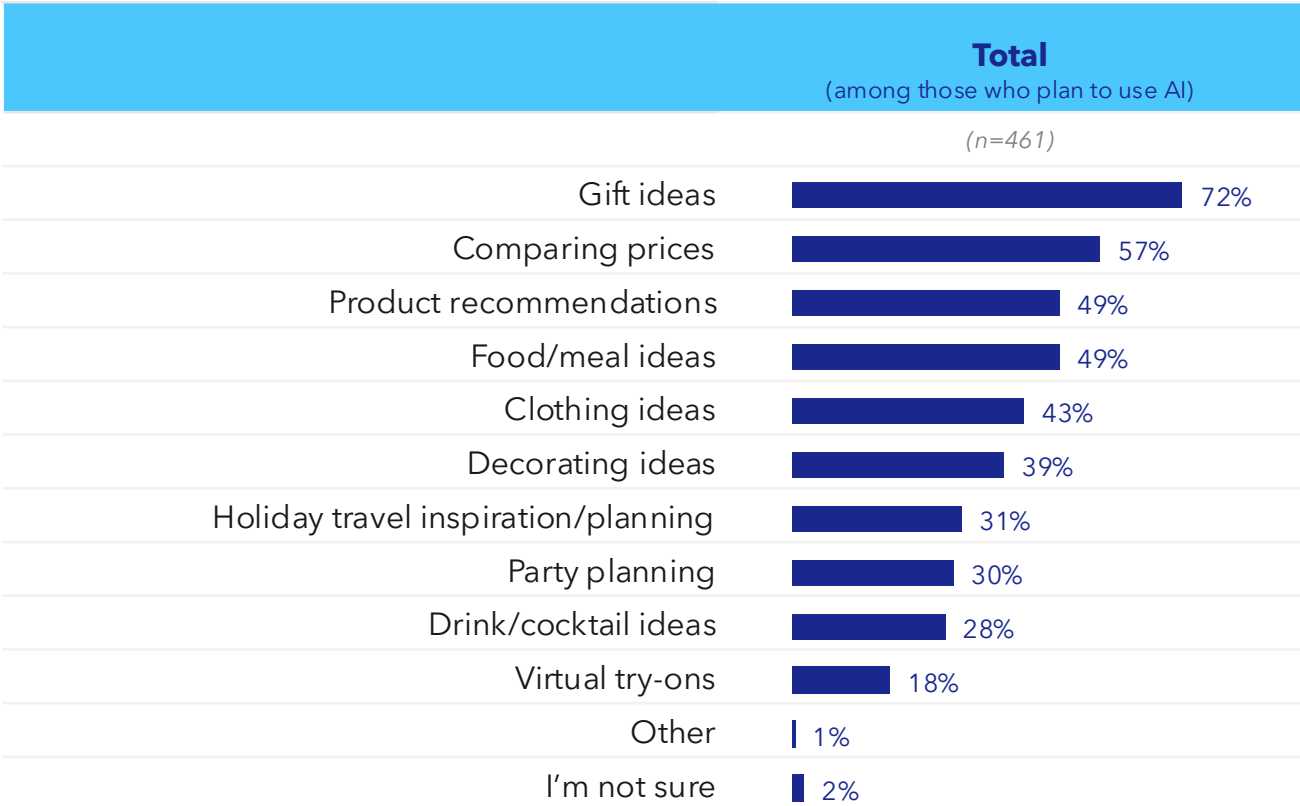


More consumers are open to using AI for holiday shopping, especially Gen Z and millennials.

Millennials had the biggest jump in likeliness to use AI for holiday planning and shopping year over year, with 26% saying they'd be open to it in 2024 and 37% in 2025.

Gen Z and millennials are most likely to use AI for inspiration for their holiday travel, party planning and cocktail ideas, with millennials also using it for clothing ideas and virtual try-ons. Besides ChatGPT, platforms like Gemini, Copilot and Shop.app are also growing in popularity. Brands need to ensure that their marketing messages are optimized for AI and that they're using AI tools to make the shopping process easier for consumers.

How AI tools are used for holiday planning



93%

of Gen Z planning to use AI for holiday shopping are planning to use ChatGPT. Want more insights into how AI usage breaks down across generations?
Reach out to a product expert to learn more.

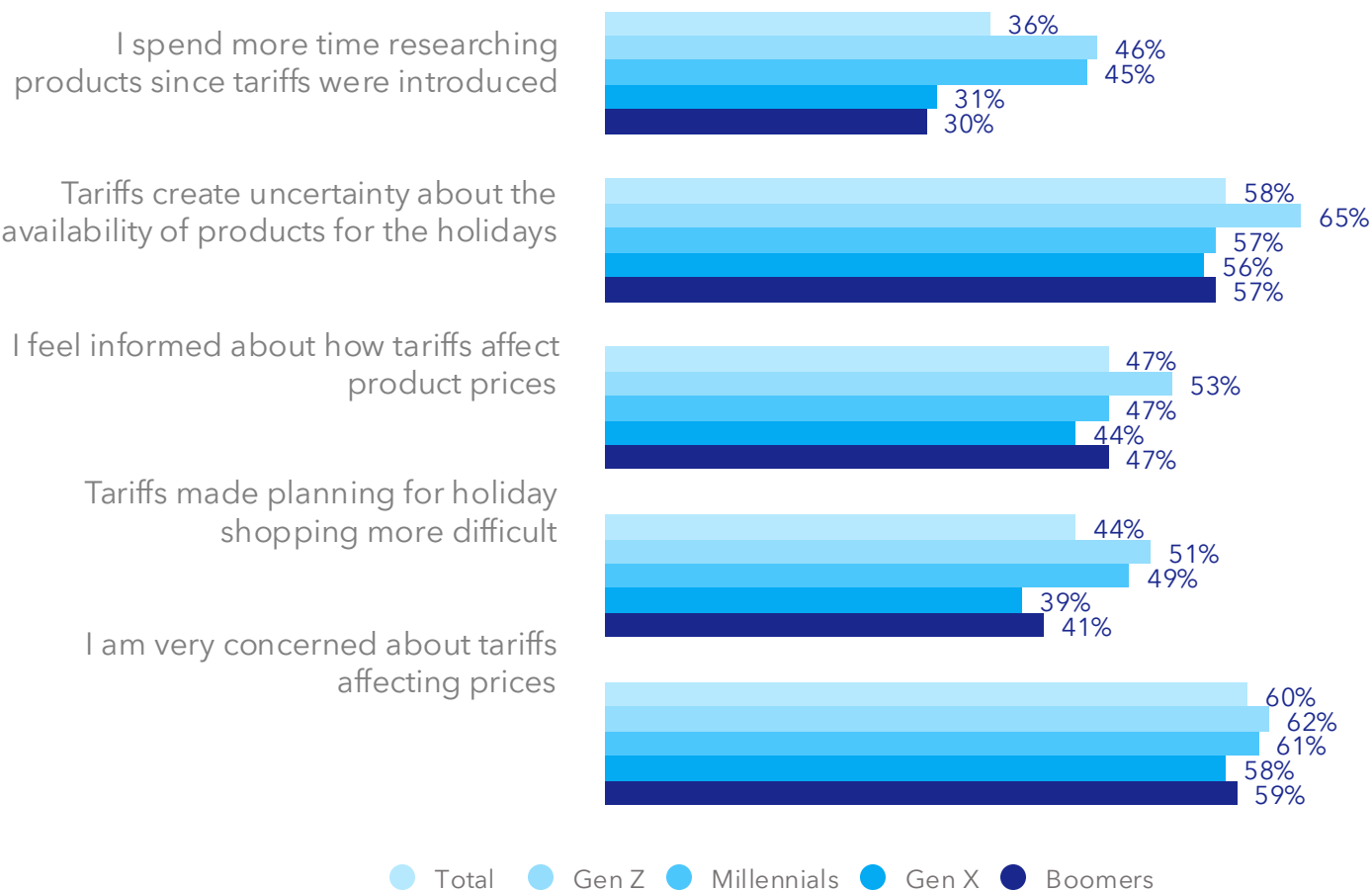


KEY FINDINGS

3 out of 5 consumers are concerned about tariffs affecting prices, and nearly half feel tariffs have made it difficult to plan for holiday shopping.

65% of Gen Z feel uncertain about product availability (the highest of all generations). Younger generations are more likely to research products and what country products are made in since tariffs have been introduced. Due to economic stress and potential cost increases, brands will need to focus on providing value, as they might not be able to provide sizeable discounts this holiday season.

Impact on tariffs (somewhat agree + strongly agree)



More than 50% of Gen Z and millennials have increased how much research they do when it comes to what country products are made in.

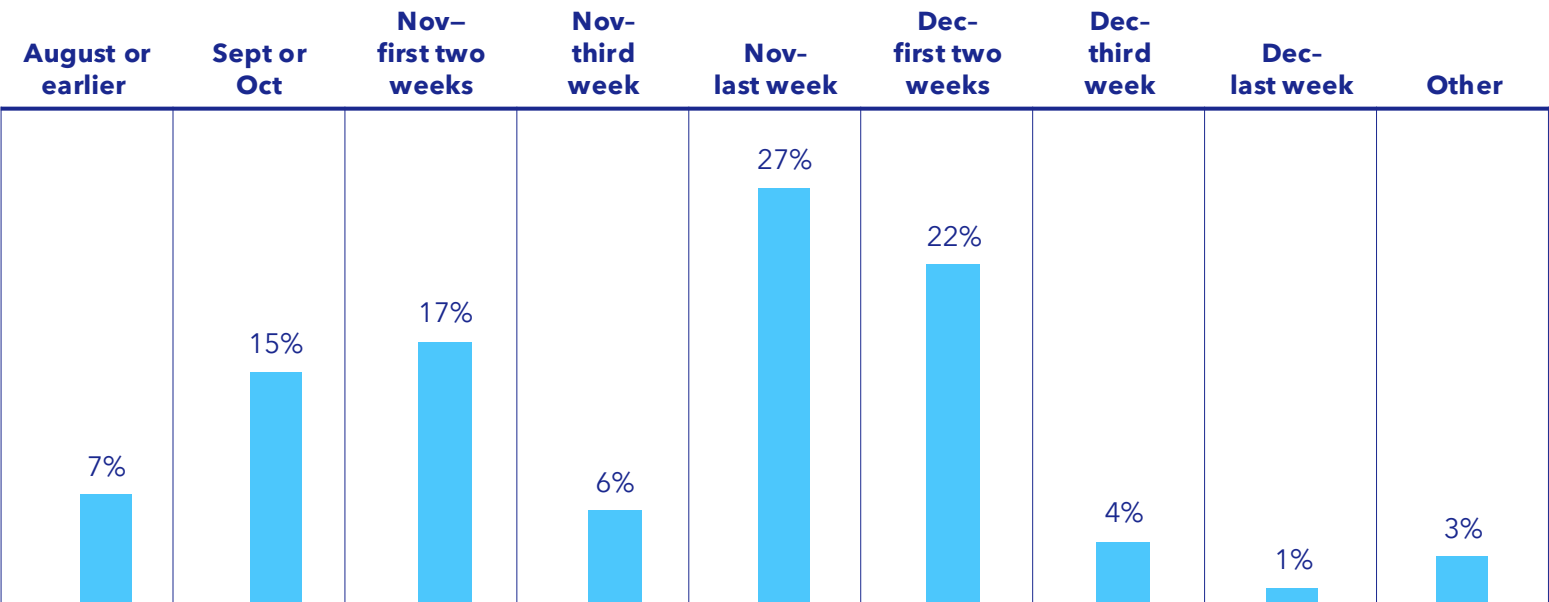


KEY FINDINGS

75% of consumers haven't started holiday shopping yet. 61% will start in November or December.

Among those who've already started holiday shopping, 33% of boomers started between January and March of 2025, while 44% of Gen Z and 37% of millennials started in July. Overall, the majority of consumers tend to do the bulk of their holiday shopping in the last week of November or the first two weeks of December, with Gen Z targeting the last week of November around Thanksgiving/Black Friday for shopping. For brands, promotional timing matters. Ensure your marketing campaigns and ad spend are aligned to the weeks before the peak shopping window to make the biggest splash.

Consumers do most of their holiday shopping in:



59%

of Gen Z plans to start holiday shopping in November. **Reach out to a product expert to learn more** about data trends across generations.



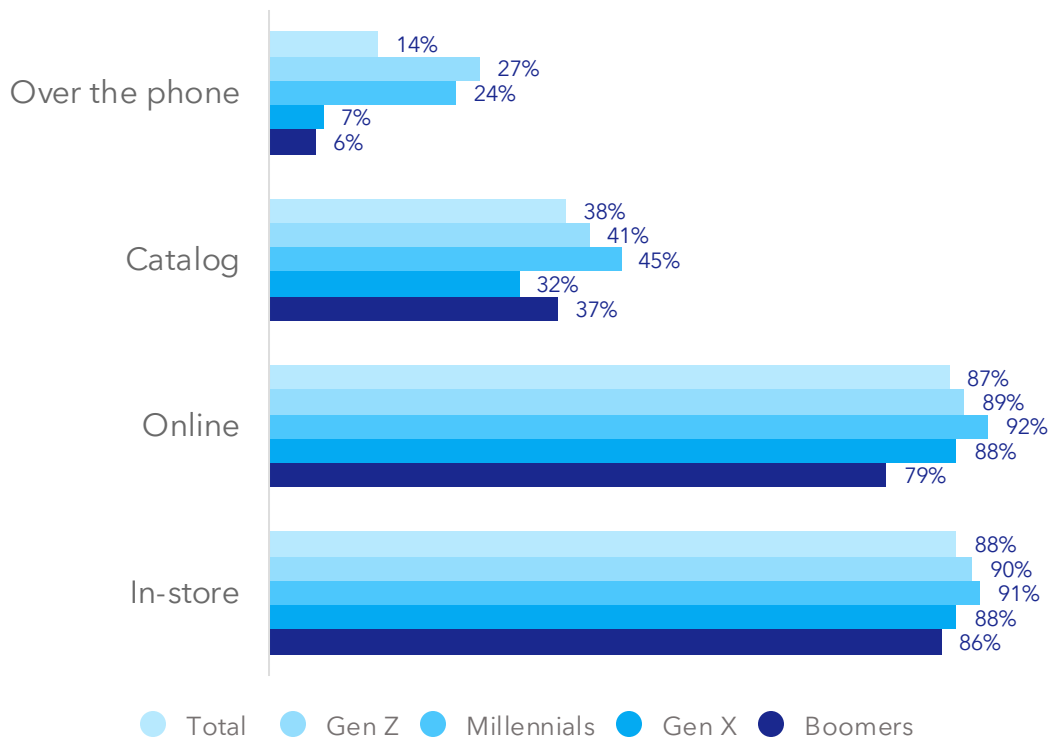
KEY FINDINGS

Consumers plan to shop both in-store and online this holiday season.

We're also noticing an increase in catalog influence, especially among Gen Z and millennials, showing the prevailing impact of direct mail as a channel. Brands should consider how in-store and online promotions are operating in tandem, so consumers can easily move from digital to physical and vice versa, and ensure messaging is consistent across channels. It's also essential for brands to know when online activities drive in-store purchases so they know when to stop marketing outreach.

Likelihood of using various purchase methods for holiday shopping

(Somewhat likely + very likely)



Top 5 preferred stores for holiday shopping

1. Amazon.com
2. Mass merchandisers
3. Department stores
4. Discount stores
5. Hardware/home improvement stores

70%

of Gen Z plans to shop for gifts at local or independent retailers. Among Gen Z and millennials, one in five prefers to shop at secondhand stores and home furnishing stores for holiday gifts, the highest percentage across generations.

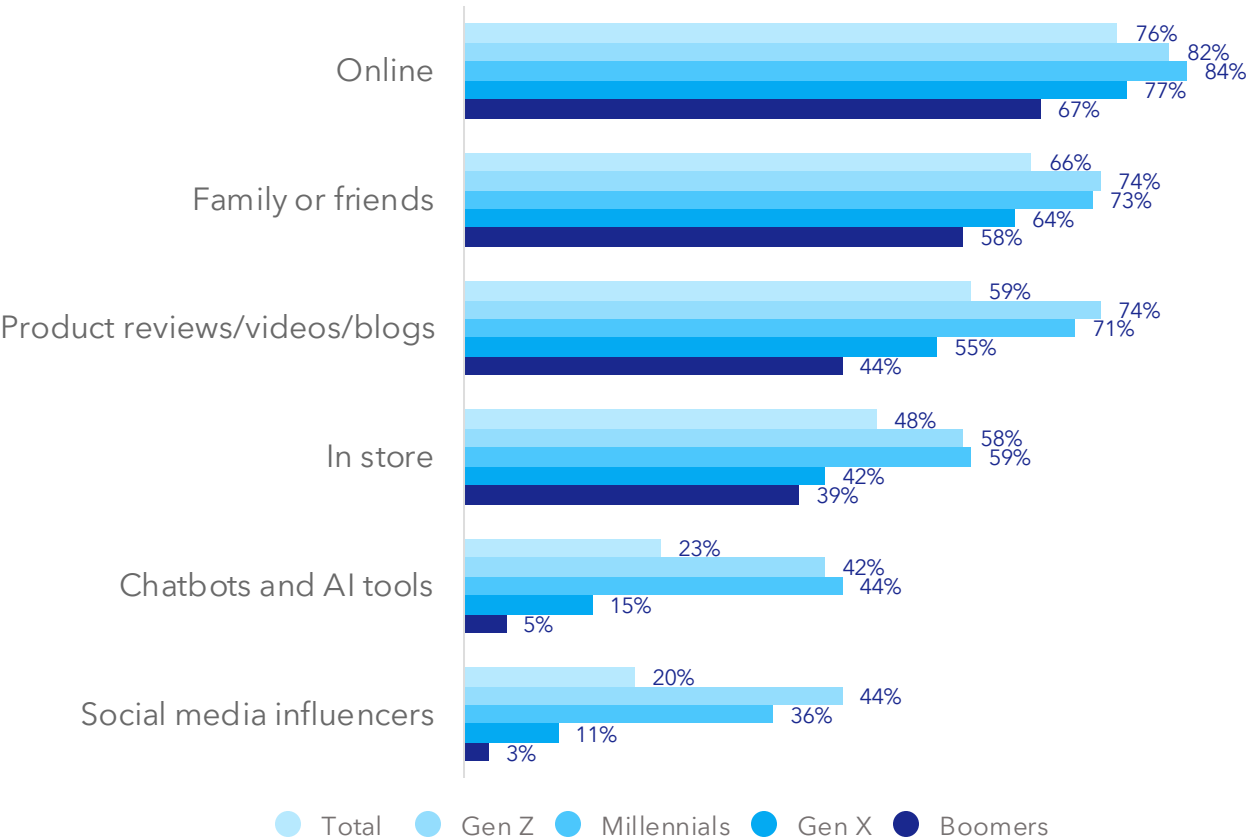


KEY FINDINGS

Consumers get the bulk of their holiday shopping inspiration from online sources, but word of mouth is still a major driver.

Consumers tend to get inspiration from a variety of sources, including online searches, gift guides, in-store staff and product reviews and ratings. Millennials and Gen Z have especially embraced AI tools and social media influencers for help with holiday shopping inspiration. While older generations have been more hesitant, we can expect usage to increase over time across generations.

Likelihood of using various platforms for inspiration or holiday shopping
(somewhat likely + very likely)



54%

more consumers are looking in-store for gift inspiration or holiday shopping this year

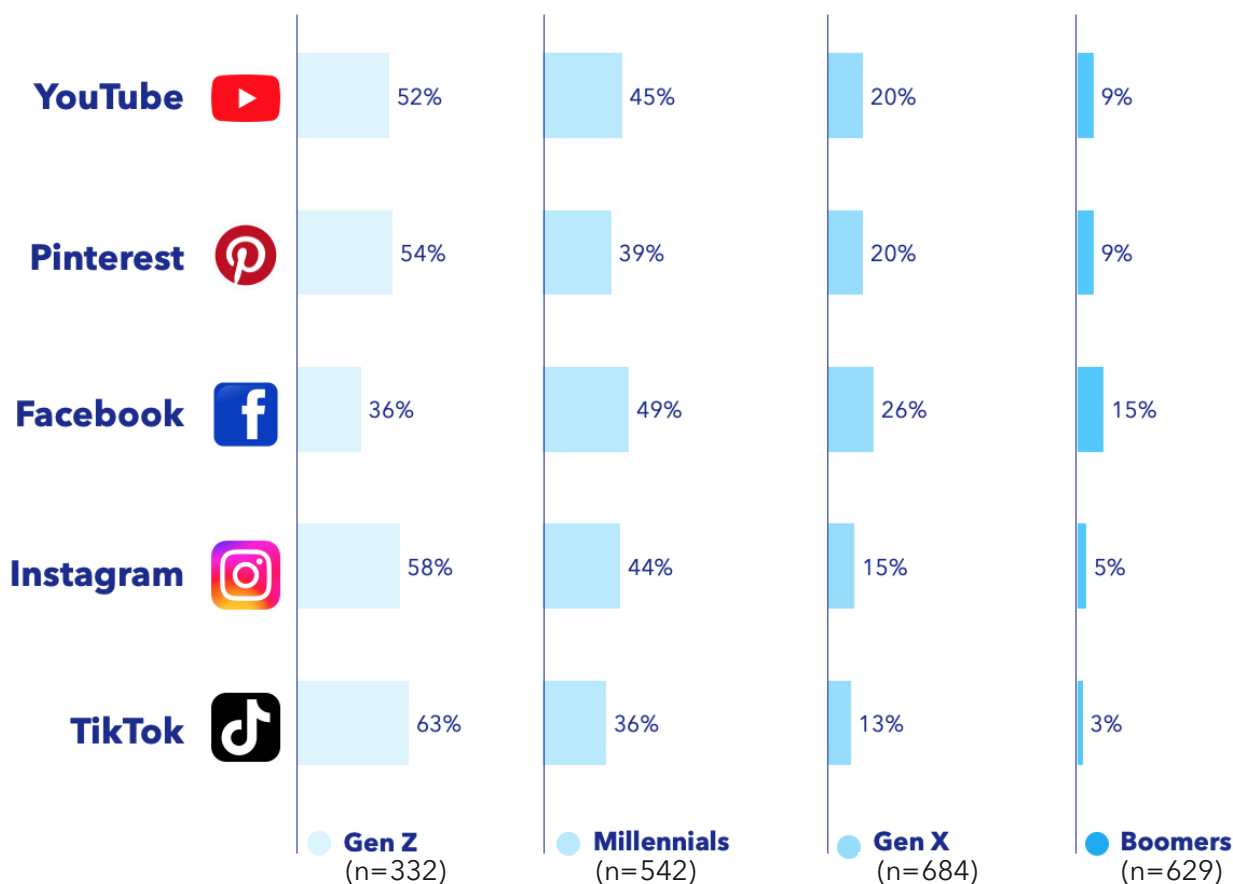
KEY FINDINGS

Facebook is the top social platform for holiday inspiration for everyone—except Gen Z

Unsurprisingly, Gen Z consumers are active on the highest number of social media platforms. They're most likely to use TikTok and Instagram, and they're also most likely to say they use *any* social media platforms for inspiration or holiday shopping. TikTok, Instagram, Pinterest and YouTube are each likely to be used by more than 50% of Gen Z. To reach this generation, brands will need to ensure their message resonates across channels and tells a consistent story.

Likelihood of usage for inspiration or holiday shopping

(Top 5 platforms)



44%

of Gen Z say they use social media influencers for holiday shopping inspiration.



KEY FINDINGS

Holiday travel is back—especially for younger generations.

On the travel front, most consumers plan to visit family locally or close to home, but younger generations are more open to traveling out of town or going on vacation. Because more consumers will travel this holiday season, brands should consider promoting experiential gift ideas, gift cards and items that can be easily sent ahead of time.

Expenses typically budgeted for

Among those who set a budget for holiday spending

	Total	Gen Z	Millennials
	(n=1,367)	(n=233)	(n=382)
Costs related to traveling to see family	26%	37%	36%
Costs related to going on vacation	16%	22%	30%

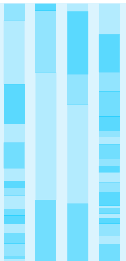
2025 holiday travel plans

	Total	Gen Z	Millennials	Gen X	Boomers
	(n=2,187)	(n=332)	(n=542)	(n=684)	(n=629)
Traveling out of town to visit family	25%	38%	34%	19%	16%
Visiting family locally	60%	60%	61%	62%	55%
Going on vacation	13%	21%	22%	9%	5%
None of the above	20%	8%	14%	22%	31%



52%

increase in those saying they're including costs related to traveling to see family in their budget since last year.





Reach out to an Epsilon expert to get the full research findings, including:

- More detailed cross-generational data
- Information about which generations budget for holiday shopping and whether they plan in advance
- Additional attitudes and behaviors related to holiday shopping
- Shopping categories typically budgeted for and how consumers prioritize them
- Additional cost-saving measures consumers are considering
- Retailer and brand preference details



Key takeaways



Winning the holiday season is all about strategy.

1

Consumers are ready to celebrate. Don't miss your opportunity to engage with them.

The market has been tough over the past few years, but consumers (especially younger generations) are eager to spend this holiday season. To maximize your ad spend during this critical shopping window, target Gen Z and millennials and make sure you're reaching them with a consistent marketing message across channels.

2

Leverage AI to positively impact the customer experience.

Consumers are using AI in an increasing number of ways, for holiday gift inspiration, gift guides, virtual try-ons and more—and the list will only keep growing. As a retailer, make sure your AI tools are backed by high-quality data so you can make it easier for consumers to find what they're looking for on your website and provide tailored product recommendations.

3

The current economic climate shows why personalization matters.

Tariffs and inflation don't impact every consumer in the same way. Your messaging needs to reflect that. Personalization gives you the power to reach the right person at the right time with a message that shows that you understand what they're going through and how your product or brand can help them, whether that's by providing great value, reassuring them about product availability or bundling everything they need to celebrate in one click.

4

Optimize your in-store experience and make sure everything is connected across channels.

People are increasingly turning to the in-store experience for holiday gift inspiration, wanting to see and touch products in real life before they purchase. Some consumers might see a product in-store and order it on their phones, or they might see an ad on social media and check it out in-store. It's essential for brands to connect measurement across online and in-store channels so they can be more efficient in advertising spending and don't inundate shoppers who've already made purchases with them.

KEY TAKEAWAYS

There's still time to drive impact this holiday season. Reach out to access 100+ featured audiences that are ready to activate across channels.

Featured audiences for Q4 2025



Christmas enthusiasts

Top ranks of households likely to be Christmas enthusiasts



Winter seasonal shoppers

People who shop disproportionately between December 1 and February 28



Home entertainers

People who are likely to frequently entertain friends or family

We can also personalize audiences by generation for these types of shoppers.

How to activate them



Identify and engage high-value holiday shoppers



Retarget lapsed holiday shoppers with personalized incentives and loyalty rewards



Drive omnichannel strategy

[Reach out to access holiday audiences](#)

CASE STUDY

Epsilon helps home décor retailer outperform the competition on Facebook

A high-ticket home décor client challenged Epsilon to build incremental modeled audiences, separate from their direct mail efforts, for Facebook campaigns.

Using a combination of transactional data and machine learning, Epsilon built online audiences to target lookalikes buying from similar brands. Various audiences were created to support the client's growing Facebook demand. The effort yielded a significantly higher ROAS vs. a competing list source.



The results

72%

incremental
campaign
audience

9M

prospects
reached

39M

impressions served

114

index ROAS



Reach your audience wherever they shop this holiday season with Epsilon.



Top ranked consumer database in the U.S.

With insights into 250 million U.S. consumers, we provide unparalleled coverage and breadth of consumer data.



The largest cooperative transactional database

Abacus is the largest cooperative database in the U.S., with more than 3,000 contributing brands in B2C and B2B.



Real data from real people

All Epsilon data is based on verified individuals and can be activated across all channels. Our data includes name, address and vital data, as well as multiple identifiers on virtually every U.S. consumer.



More transactional data

Epsilon has developed the most complete set of transactional data for marketing purposes to be used across all marketing channels.



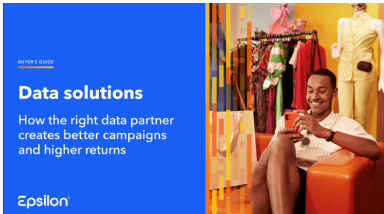
Privacy first

Privacy is core to Epsilon business operations, technology development and client engagement. Following privacy-by-design principles, Epsilon proactively prepares to meet changing legal requirements.

[Learn more about Epsilon Data](#)

Learn more about Epsilon Data

eBook



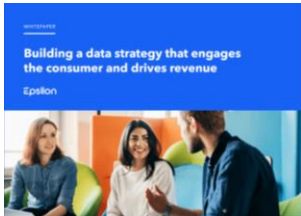
Buyer’s guide: Data solutions

Blog



The next frontier of AI? Data quality

Whitepaper



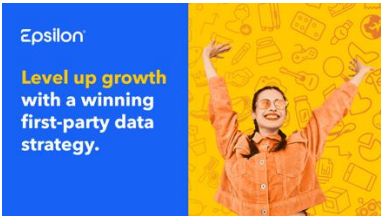
Building a data strategy that engages the consumer and drives revenue

Video



The Real Deal on foundational data essentials

Infographic



Your 3-step game plan for a winning first-party data strategy





Epsilon is a global data, technology and services company that powers the marketing and advertising ecosystem. The world's leading brands use Epsilon to harmonize consumer engagement across their paid, owned and earned channels, leveraging capabilities that include data, identity resolution, customer data platforms, clean rooms, digital media, retail media, site personalization, direct mail, loyalty, email marketing and measurement.

By applying artificial intelligence against privacy-centric consumer recognition—embedded in data-enriched analytic, marketing and media solutions—Epsilon allows marketers to bridge the divide between marketing and advertising technology, engaging consumers with 1 View, 1 Vision and 1 Voice.

1 View of their universe of potential buyers. 1 Vision for engaging each individual. And 1 Voice to harmonize engagement across paid, owned and earned channels.

For more information, visit epsilon.com/data to connect with our team.

[Reach out to a product expert](#)



Epsilon Pulse is the beating heart of Epsilon's proprietary research. Designed to produce relevant and up-to-date insights about consumers, marketers and their preferences, Epsilon Pulse helps brands better understand the AdTech and MarTech industry so they can make informed, data-driven marketing decisions.

