

2026 holiday strategy playbook

How consumers actually shopped in 2025 and
how brands can adapt their marketing in 2026





Ready to start planning for the 2026 holiday season? You're in the right place.

Epsilon Pulse asked 2025 holiday shoppers what they spent during the holidays so you can prepare for the season ahead.

Summer is the best time to kick off holiday planning. To help you put your best foot forward, we asked consumers in early January to break down how much they *actually spent* during the 2025 holiday season—while it was still fresh.

We covered top spending categories, timing, how they used AI, the in-store vs. online breakdown and the impact of cost increases on shopping decisions. With this inside look, your holiday marketing strategy will be even more precise.

After all, the most successful marketers will be those who lean into what they can control, like value-driven messaging, operational efficiency, and smart integration of online and in-store experiences.

What's in this report?

- Strategies for navigating the 2026 holiday season
- Holiday spending broken down by generation
- How consumers used AI for holiday shopping
- Timing of holiday shopping
- The split between in-store and online shopping
- How much consumers spent and how they managed price increases

Let's begin.



At a glance: how consumers shopped during the 2025 holiday season

To help you plan for 2026, let's look at how much consumers spent, their top shopping categories and how they used AI.

- Holiday advertisements **drove purchasing decisions** across a variety of platforms, especially with younger generations.
- Consumer spending was **52% higher** than expected for the 2025 holiday season. Most shopped during the **last two weeks of November** and the **first two weeks of December**.
- Most consumers stuck to their budget, but they still **felt the impact of high prices**.
- Consumers **shopped both in-store and online** and leveraged options like "buy online, pick up in store" for convenience.
- **ChatGPT and Gemini were the most popular AI tools** for holiday shopping, and most users found them effective.
- **Online retailers** like Amazon and eBay and **mass merchandisers** were the top retailers during the 2025 holiday shopping season.

Quick stats

\$1,000+ was the average amount spent per person, with Gen Z and millennials spending the most.

29% used AI to help them with holiday shopping.

53% said they were influenced by a holiday advertisement.

76% of Gen Z used social media for holiday gift inspiration and shopping.

1 in 5 Gen Z and millennials used AI tools for gift inspiration.

Why this matters for marketers

Understanding how consumers actually shopped for the holidays gives you a better sense of how to approach the 2026 holiday season in regard to messaging and strategy.

[Reach out to an expert](#)



At a glance: how consumers shopped during the 2025 holiday season



Gen Z

Gen Z spent the most during the 2025 holiday season. They were **heavily impacted by social media advertisements** (and holiday ads in general) and were most likely to **use AI tools for holiday gift inspiration**. They were also more **influenced by catalogs** than any other generation. Half received a catalog and made a purchase online, while the other half ended up buying gifts in-store. This demographic was also more likely to wait until December to start holiday shopping. One in four Gen Z **traveled out of town** to visit family during the holiday season and 16% went on vacation.



Millennials

The second biggest spenders, millennials did most of their holiday shopping in November. Like Gen Z, millennials found a lot of ways to use AI tools, like generating decorating ideas, clothing ideas, party planning, travel planning and virtual try-on. Their **preferred AI tools were ChatGPT and Gemini**. This age group struggled to stick to their budget during the holiday season and employed cost-saving measures like looking for sales and discounts and buying less expensive gifts. They **shopped at a wide variety of retailers** and especially appreciated fast delivery and loyalty programs. They looked for inspiration via online search and gift guides, product videos, reviews and blogs.

At a glance: how consumers shopped during the 2025 holiday season



Gen X

Gen X shopped for the holidays during the last two weeks of November and early December. Of the Gen X who used AI, over half used it to find holiday shopping deals, coupons and discounts. While Gen X didn't spend the most overall, they **spent more on gifts than Gen Z and millennials**. Seventy-one percent ordered gifts online for delivery and were **more likely to shop at online-only retailers and mass merchandizers**. Clothes, textiles, shoes and gift cards were the top gift categories for this generation, and while most were pleased with the overall value of the items purchased, 57% found that items cost more than they expected.



Boomers

While boomers spent less than other generations during the holiday season, they spent the most on gifts and were least likely to set and stick to their budget. They were more likely to start holiday shopping in August or September compared to other generations. While **a small percentage used AI for holiday shopping**, of those who did, they used it for gift ideas, to find deals and discounts, or for product recommendations. Most boomers purchased gifts for children, grandchildren and their spouses, and mainly bought gift cards, clothes, textiles and shoes. This demographic **gave the most to charity** and spent the least on decorations. They also cared the most about convenience or location when holiday shopping.

Key findings



KEY FINDINGS

Consumer spending was 52% higher than expected for the 2025 holiday season.

In our October holiday shopping survey, we ask consumers to share how much they expect to spend, what they think their top shopping categories will be and which retailers they anticipate shopping with. Consumers said they planned to spend \$782 on average, but in this survey, the amount was 52% higher, with the average consumer spending \$1,190.

Gen Z and millennials spent the most overall, but Gen X and boomers spent the most on gifts. After gifts, Gen Z spent the most on groceries and new holiday clothing, and millennials spent the most on groceries and vacation costs.

Total holiday spending by category for 2025

					
Mean spend in U.S. Dollars	Total	Gen Z	Millennials	Gen X	Boomers
Gifts	\$522.53	\$455.33	\$509.16	\$544.24	\$574.86
Groceries for holiday meals and entertaining	\$166.54	\$184.44	\$177.30	\$155.08	\$149.90
Costs related to traveling to see family	\$105.20	\$157.12	\$114.39	\$93.03	\$61.53
Costs related to going on vacation	\$109.80	\$142.89	\$128.44	\$100.78	\$67.48
New clothing/outfits for holiday-related occasions	\$99.12	\$171.57	\$117.99	\$69.80	\$43.94
Decorations	\$70.57	\$137.43	\$70.83	\$48.90	\$35.47
Not-for-profit/charitable donations	\$83.51	\$91.18	\$56.79	\$66.43	\$128.63
Other items not listed	\$67.51	\$130.23	\$72.71	\$38.52	\$36.60
Total (mean)	\$1,190.73	\$1,424.80	\$1,216.11	\$1,081.36	\$1,071.66
	(n=2,332)	(n=260)	(n=544)	(n=710)	(n=818)

24%

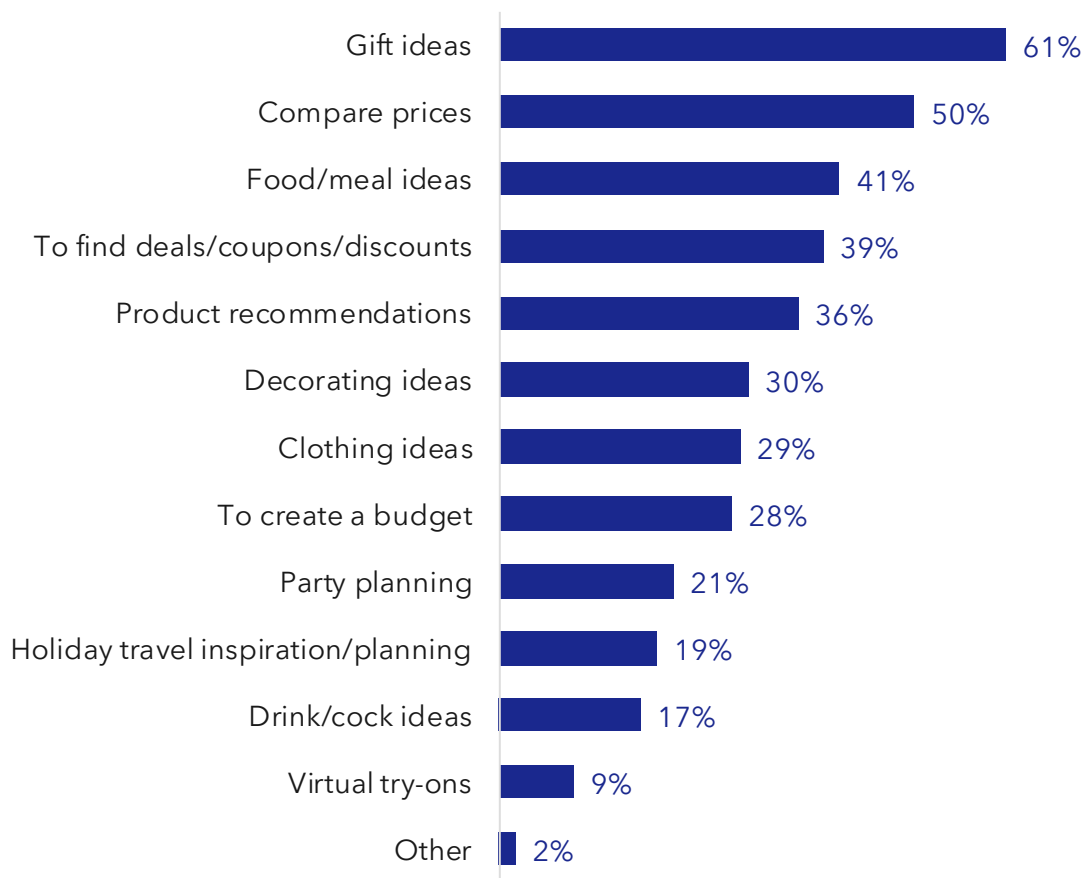
of consumers say they spent more than they planned during the 2025 holiday shopping season.

KEY FINDINGS

Nearly 30% of consumers used AI to help them with holiday shopping.

More than half of Gen Z and 41% of millennials said they used AI for holiday shopping. Most consumers used AI for gift ideas and price comparisons. Other top use cases included food or meal ideas, looking for deals and discounts, and product recommendations. Most users found AI tools to be effective for holiday shopping and planning, but 22% found that AI offered irrelevant recommendations and suggestions, 19% had privacy or data security concerns and 18% said the tools generated inaccurate or biased information.

How AI tools were used for holiday planning



● Total among AI users (n=505)

75%

of consumers who used AI tools for holiday planning and shopping used ChatGPT, with 87% of Gen Z using the tool.



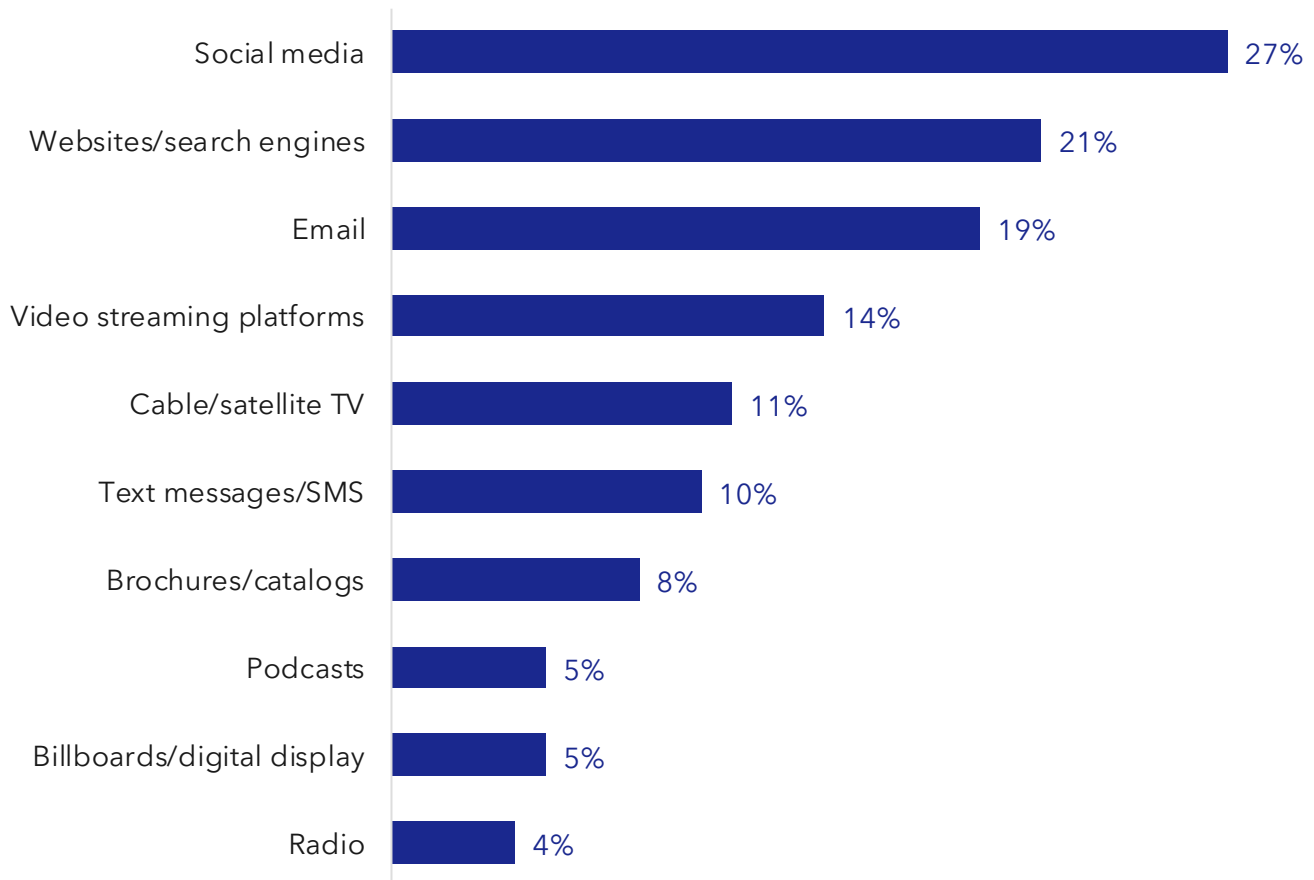
KEY FINDINGS

Holiday advertising drove shopping decisions across paid, owned and shared channels, especially for younger generations.

It's clear that social media advertisements are most likely to drive purchases this holiday season, but web and email channels are a safe bet too. For other channels, it depends on the audience you're trying to reach and the type of product you're selling. It's key to **partner with a data and identity solution** that can help you efficiently reach more customers for tailored omnichannel recommendations based on your business needs.

Advertising sources that drove purchasing decisions

Total (n=2,332)



69%

of Gen Z said they made a purchase based on an advertisement they saw. Social media ads were especially impactful.

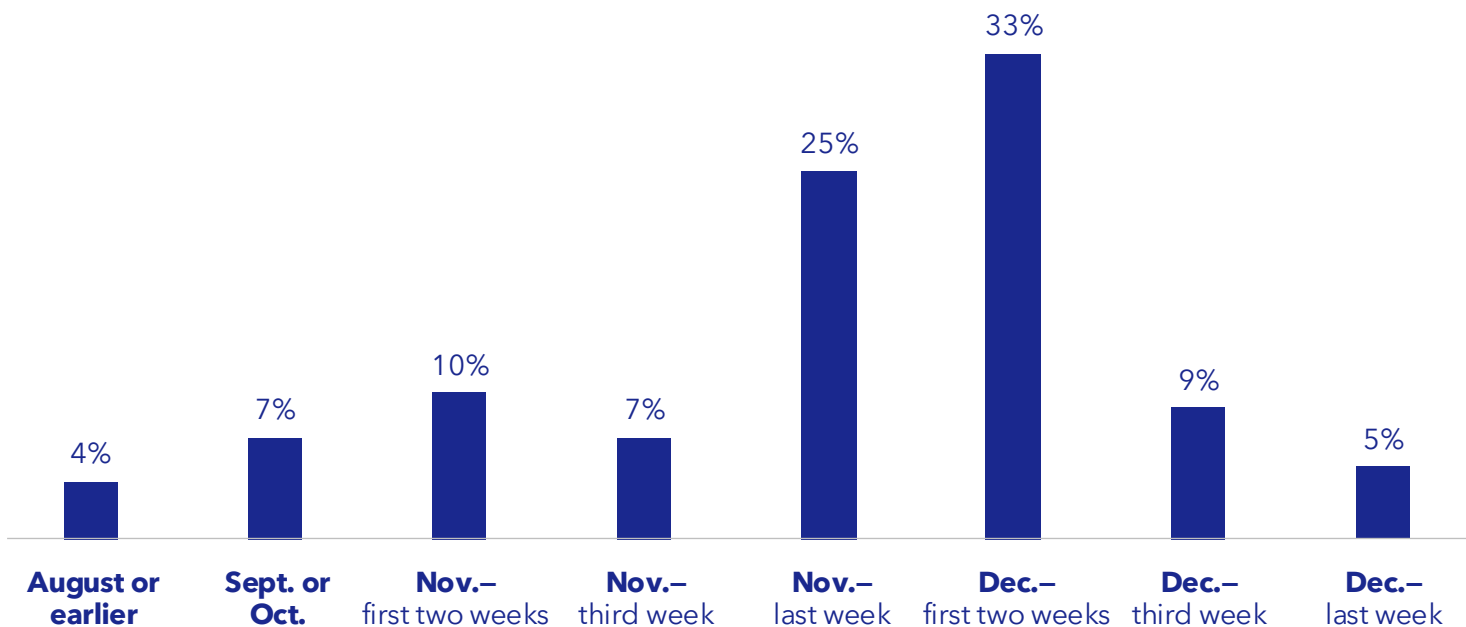


KEY FINDINGS

Most consumers started shopping for the holiday season in November and continued well into December.

Across generations, November and December were the most popular times to shop, but there were small generational differences worth noting. The last two weeks of November (around Black Friday) were the most popular time for millennials and Gen X to start shopping, while boomers were more likely to get most of their shopping done in September or October.

When consumers did most of their holiday shopping



35%

of Gen Z waited until December to start holiday shopping.



[Reach out to a product expert to learn more](#) about data trends across generations.

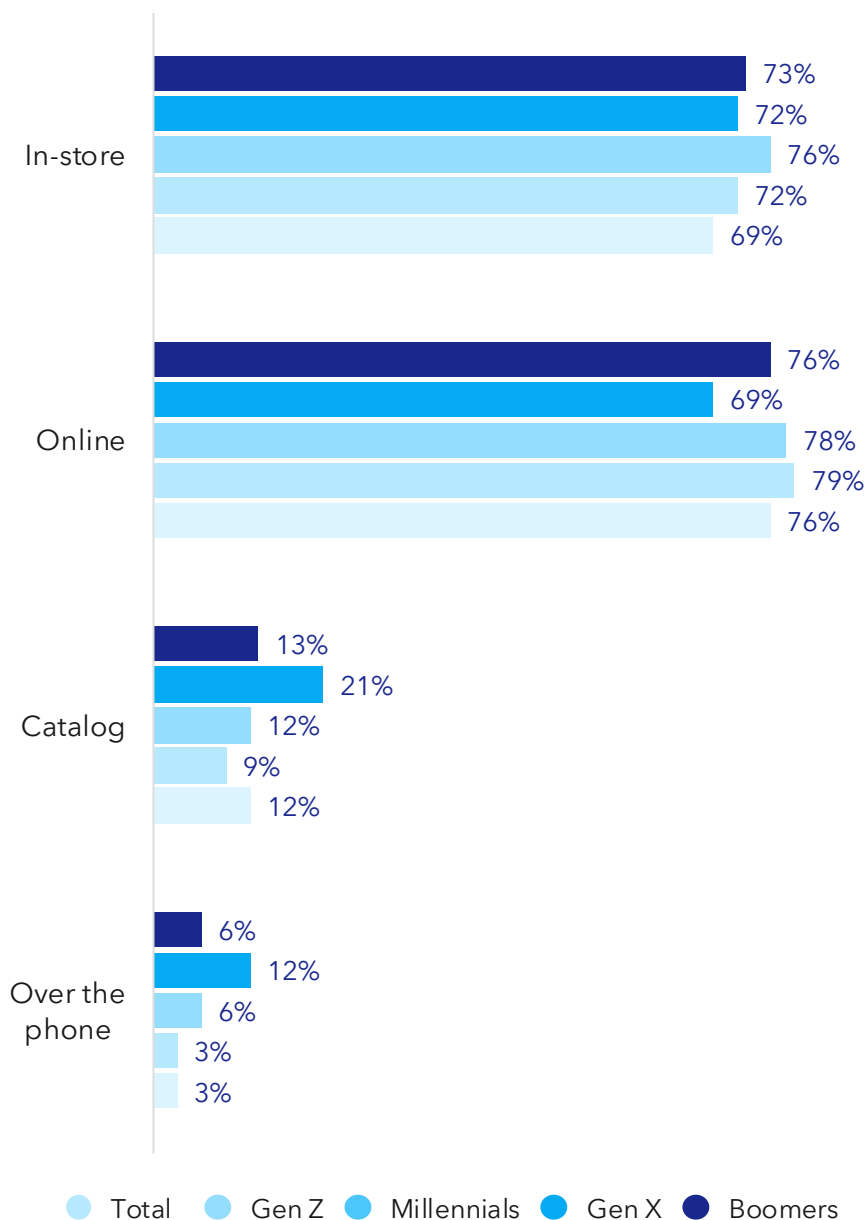


KEY FINDINGS

Consumers shopped both in-store and online during the holiday season.

We also noticed an increase in catalog influence, especially among Gen Z and millennials, showing the prevailing impact of direct mail. Brands should consider how in-store and online promotions operate 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 someone has already purchased and is no longer in market.

How consumers shopped for holiday gifts



Top 5 preferred stores for holiday shopping

- 1 Online-only retailers
- 2 Mass merchandisers
- 3 Department stores
- 4 Discount stores
- 5 Membership/warehouse clubs

37%



of Gen Z and millennials researched holiday gifts online and bought them in-store. Other popular hybrid shopping methods included buying online and picking up in-store or looking in-store and buying online.

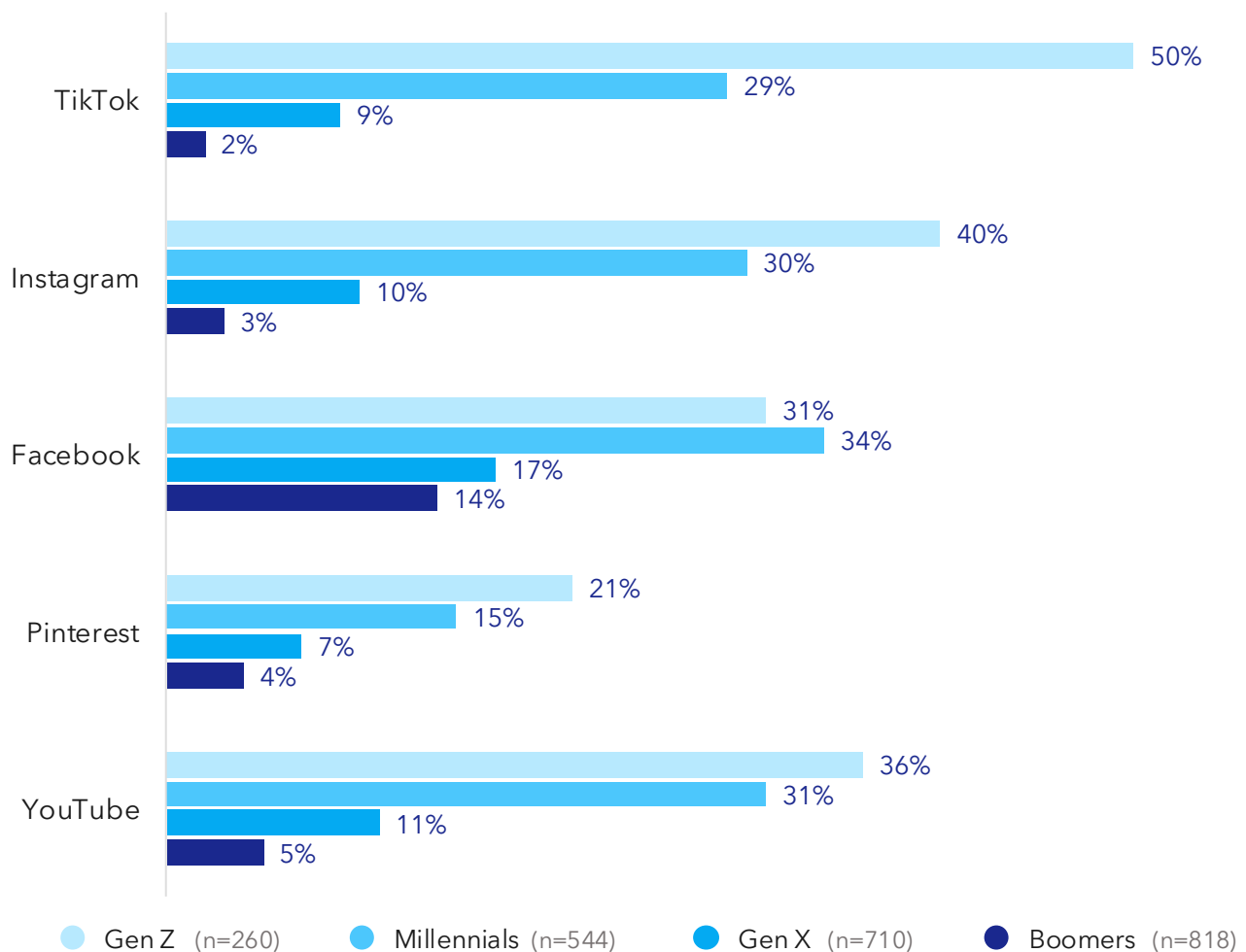


KEY FINDINGS

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.

Top 5 social media platforms for inspiration or holiday shopping



76%

of Gen Z used social media for holiday gift inspiration and shopping and were especially influenced by TikTok.

Methodology

Survey respondents (Total n=2,332)

To qualify for the research, respondents had to be between 18 and 77 years of age and purchased Christmas or Hannukah gifts in 2025. The sample was weighted (by age and gender) to align with census distribution.

	Number of completes (unweighted base)	Sample distribution for reporting (weighted)
Gen Z (18-28 years old)	260	21%
Millennials (29-44 years old)	544	29%
Gen X (45-60 years old)	710	26%
Boomers (61-77 years old)	818	24%

This survey was in field from December 27, 2025 to January 2, 2026.

Key takeaways



Key takeaways

1

Make AI work for you (not just your shoppers).

Consumers are already using AI to find gifts faster, and retailers should meet them where they are. But AI is changing more than just the consumer's shopping experience. It can also solve real operational challenges in marketing to save time, reduce risk and increase revenue.

2

Lead with value to win cautious consumers.

2026 holiday shoppers will likely be cautious and spend more conservatively across income levels. To win cautious consumers, brands need to focus on what's important to their audience and shift messaging to emphasize value. Segmentation tools can help tailor messaging by income, past behavior or price sensitivity, while AI-powered personalization can highlight relevant promotions and lower-cost alternatives to the right people at the right time.

3

Stay up to date with consumers wherever they are with relevant messaging.

Consumers are equally buying in-store and online, and they expect information to be correct and updated across channels. The buyer's journey is far from linear, so retailers need to invest in tools, processes and systems that help them keep up with consumers so they can reach them with the right message at the right time.

4

Take advantage of first-party data.

Most retailers are still not fully leveraging the rich behavioral and transactional data they collect during the holiday shopping surge. To get the most out of this year's shopping event, retailers should be actively capturing, connecting and enriching that data—not just to drive immediate wins but to also lay the groundwork for more efficient and effective campaigns next holiday season and beyond. The more complete the customer picture, the better positioned marketers will be to deliver timely, relevant offers when it matters most next year.



Ready to win the 2026 holiday season?

Reach out to an Epsilon expert

Create audiences that convert.

Know what's important to your customers and prospects to better connect with them.



Use your best customers to find more just like them.



Retarget lapsed customers with personalized incentives and loyalty rewards.



Segment customers based on key attitudes that drive purchase.

Featured audiences

Use these featured audiences to reach your customers across channels, or talk to an Epsilon expert to help you build a custom audience.



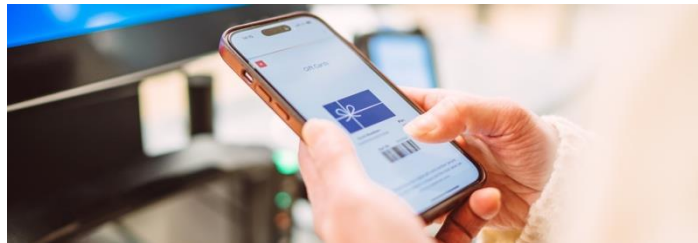
Christmas enthusiasts



Winter seasonal shoppers



Home entertainers



Gift card purchasers

Εpsilon®