smart commerce

2025 Holiday Insights Report

The consumer shifts that are reshaping holiday commerce

Holiday Shopping Enters Its Tariff Era

SmartCommerce's annual holiday survey reveals how economic pressures and potential trade policy changes are reshaping consumer behavior this season.

The results show unprecedented shifts: consumers are starting holiday shopping nearly two months earlier, with **59%** beginning before November. AI tools have become mainstream for gift discovery, with adoption more than doubling among younger generations. Most dramatically, we're witnessing the largest behavioral shift in any shopping category - alcohol purchasing, where traditional in-store shopping **plummeted 21 percentage points** while hybrid shopping tripled.

Despite widespread 'tariff anxiety,' consumer spending intentions remain resilient, creating a spending paradox that's driving strategic changes across how people discover, shop for, and purchase gifts.

This report gives brands and retailers the insights they need to navigate this rapidly evolving holiday landscape.

Discovery Revolution

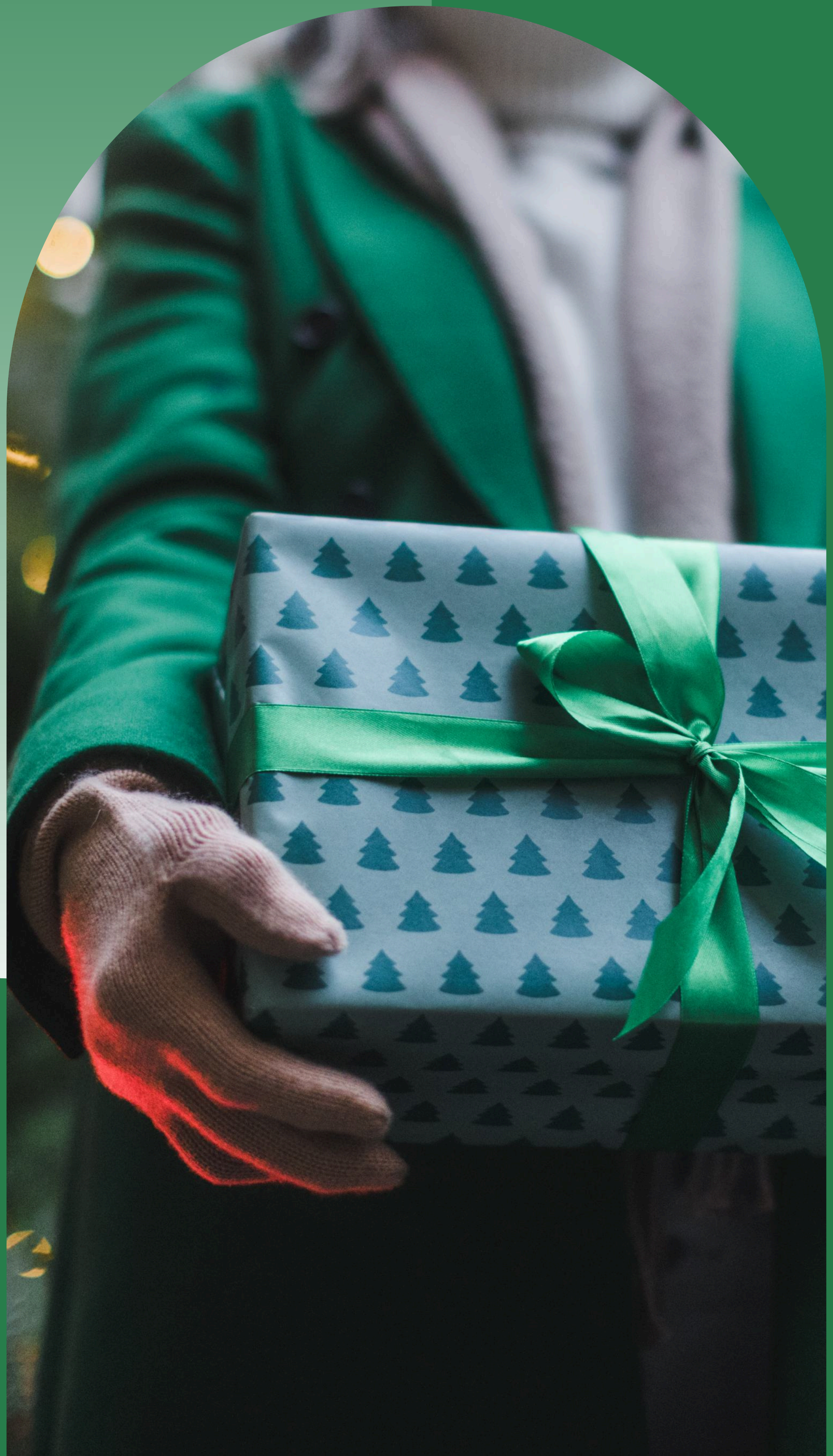
Shopping Evolution

Spending Paradox

The Discovery Revolution

The Great Digital Discovery Divide

Bottom Line: Digital discovery has reached a tipping point, with online retailer websites (63%) now surpassing friends and family (**54%**) as the primary source for holiday gift inspiration.



The AI Gift Discovery Revolution

AI tools have emerged as a major discovery channel in just one year, with adoption more than doubling among younger generations. Gen X shows the most dramatic embrace of AI for gift inspiration, **with usage surging 188% from 8% to 23%**, while Gen Z and Millennials also doubled their AI adoption to **28% and 25%** respectively.

2025

AI Becomes Mainstream

Gen Z: **28% use AI tools (up from 13%)**
Millennials: **25% (up from 13%)**
Gen X: **23% (up from 8%)**
Baby Boomers: **5% (unchanged)**

Gen X shows the most dramatic embrace of AI for gift inspiration, with usage surging 188%

The Traditional Advice Decline

Meanwhile, reliance on friends and family recommendations decreased across generations as consumers turn to digital-first discovery methods:

Gen Z: **61% → 42% (-19 points)**
Millennials: **65% → 59% (-6 points)**
Gen X: **72% → 56% (-16 points)**
Baby Boomers: **61% → 42% (-19 points)**

The Influencer Effect

Over half of consumers (**51%**) have purchased items based on influencer recommendations, with these content types driving the most purchases:

- **38%** "Top gift ideas" or holiday shopping guides
- **31%** Product reviews or unboxings
- **19%** Holiday décor or hosting tips
- **17%** Grocery hauls or "what I bought" videos

Advertising Engagement Hotspots

Consumers are most likely to notice and engage with holiday advertising across these digital channels:

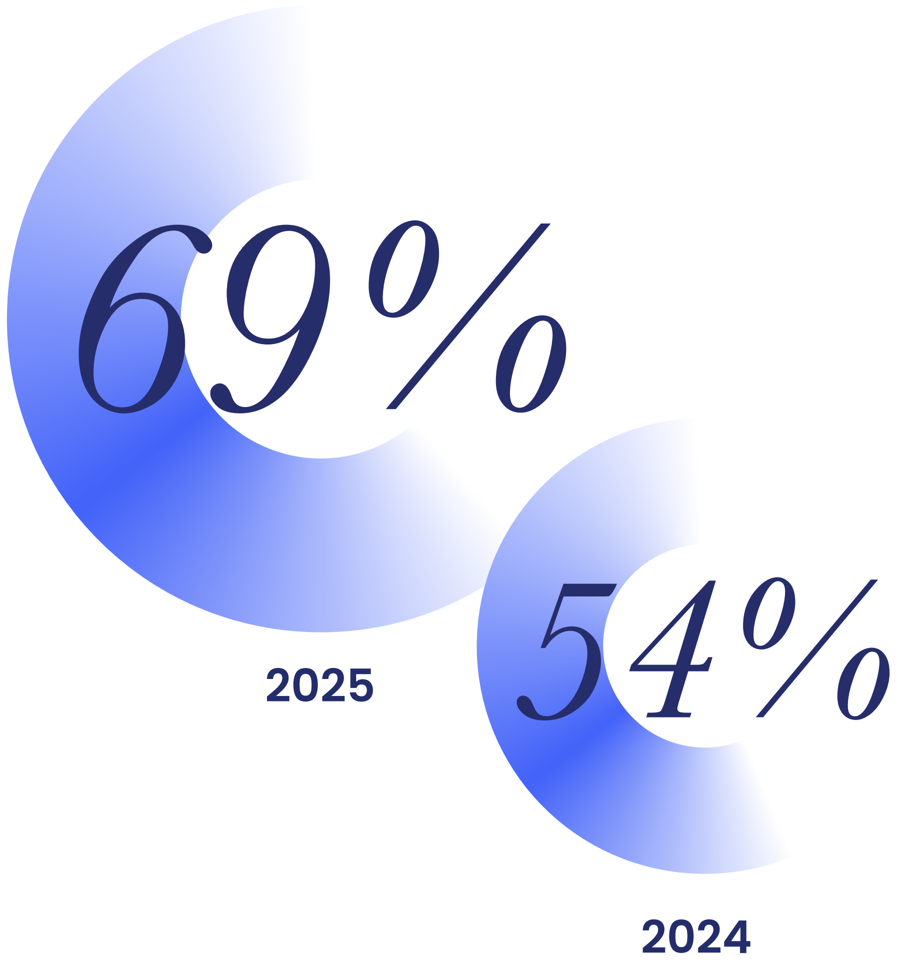
- **49%** Social media
- **42%** Search engine ads
- **40%** Retailer websites/apps
- **39%** YouTube

The Shopping Evolution

Generational Divides in Digital Adoption and Shopping Methods

Bottom Line: Consumer shopping behaviors are undergoing a fundamental transformation across all categories, with digital adoption accelerating dramatically but revealing distinct generational preferences that brands must navigate strategically.

Gen Z 2025 Grocery Shopping Behavior:



38% plan hybrid shopping

18% prefer online delivery

13% choose online pickup

29% shop exclusively in-store

2024

Gen Z Digital Engagement:

- ↓ **33%** planned hybrid shopping
- ↓ **13%** preferred online delivery
- ↓ **8%** chose online pickup
- ↑ **46%** shopped exclusively in-store

Millennials 2025 Grocery Shopping Behavior:

73%

2025

57%

2024

48% plan hybrid shopping

15% prefer online delivery

10% choose online pickup

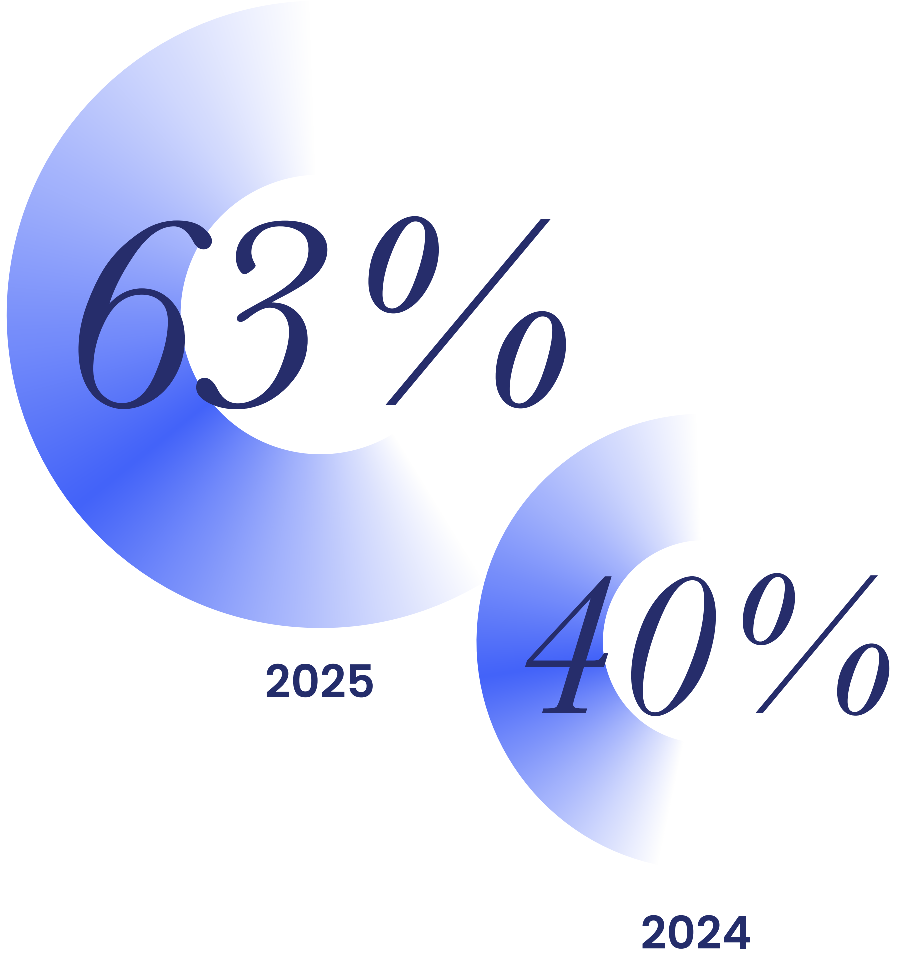
24% shop exclusively in-store

2024

Millennials Digital Engagement:

- ↓ **35%** planned hybrid shopping
- ↓ **12%** preferred online delivery
- **10%** chose online pickup
- ↑ **42%** shopped exclusively in-store

Gen X 2025 Grocery Shopping Behavior:



39%
plan hybrid shopping

18%
prefer online delivery

6%
choose online pickup

33%
shop exclusively in-store

2024

Gen X Digital Engagement:

- ↓ **26%** planned hybrid shopping
- ↓ **9%** preferred online delivery
- ↓ **5%** chose online pickup
- ↑ **58%** shopped exclusively in-store

Baby Boomers Grocery Shopping Behavior:

32%

2025

25%

2024

13%
plan hybrid shopping

14%
prefer online delivery

6%
choose online pickup

60%
shop exclusively in-store

2024

Baby Boomers Digital Engagement:

- ↑ **25%** planned hybrid shopping
- ↓ **6%** preferred online delivery
- ↓ **4%** chose online pickup
- ↑ **74%** shopped exclusively in-store

Walmart Leads Online Grocery

Most consumers plan to use multiple retailers for online holiday grocery shopping:

The Booze Revolution: From Tradition to Digital

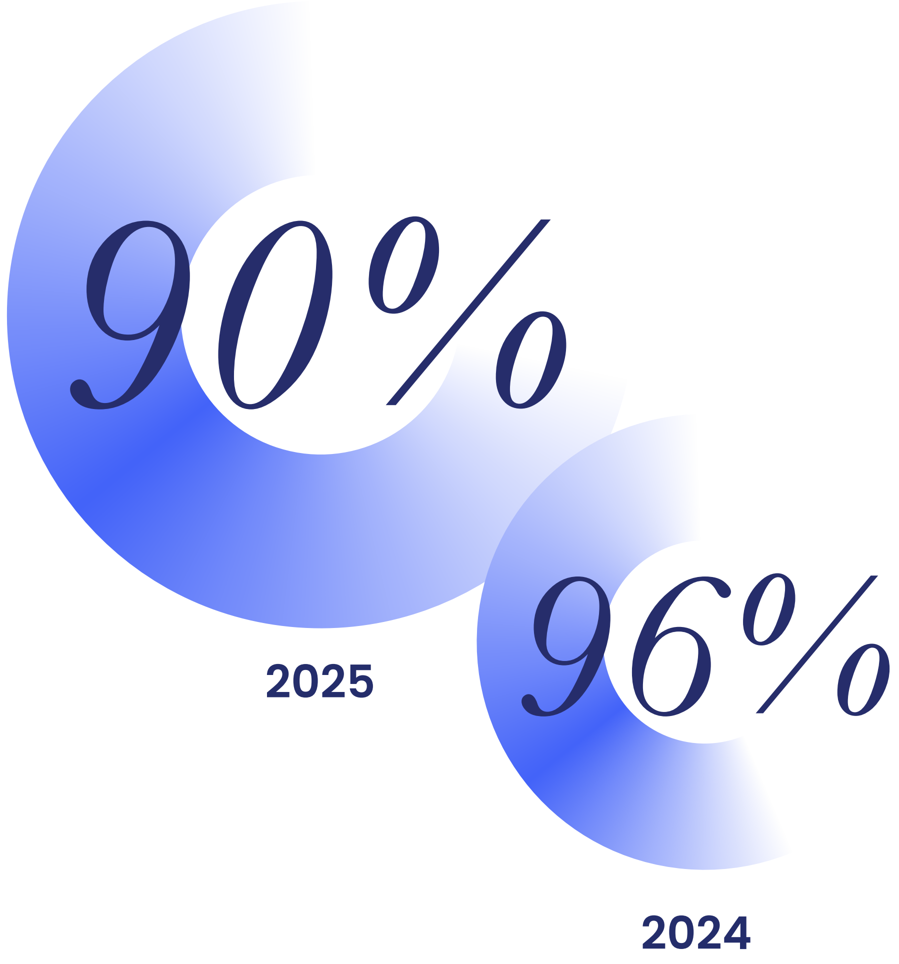
Alcoholic beverage purchasing represents the most dramatic shift toward digital adoption of any category surveyed, with traditional in-store shopping **dropping 21 percentage points** while hybrid shopping **tripled from 8% to 24%**. This transformation suggests that even the most regulation-heavy, traditionally in-person categories are embracing digital convenience.

2025: Digital Disruption

43%	24%	15%
shop mostly or only in-store - **down from 64% in 2024**	use a mix of online and in-store shopping - **up from 8% in 2024**	shop mostly online (8% delivery, 7% pickup) - **up from 7% in 2024**

This represents the largest behavioral shift across all shopping categories, with combined digital engagement **jumping from 15% to 39%** in just one year.

Gen Z 2025 Gift Shopping Behavior:



64%
hybrid shopping

14%
online delivery

12%
online pickup

7%
in-store only

2024

Gen Z Digital Engagement:

- ↓ **57%** hybrid shopping
- ↑ **30%** online delivery
- ↑ **9%** online pickup
- ↓ **4%** in-store only

Millennials 2025 Gift Shopping Behavior:

91%

2025

93%

2024

61%
hybrid shopping

24%
online delivery

6%
online pickup

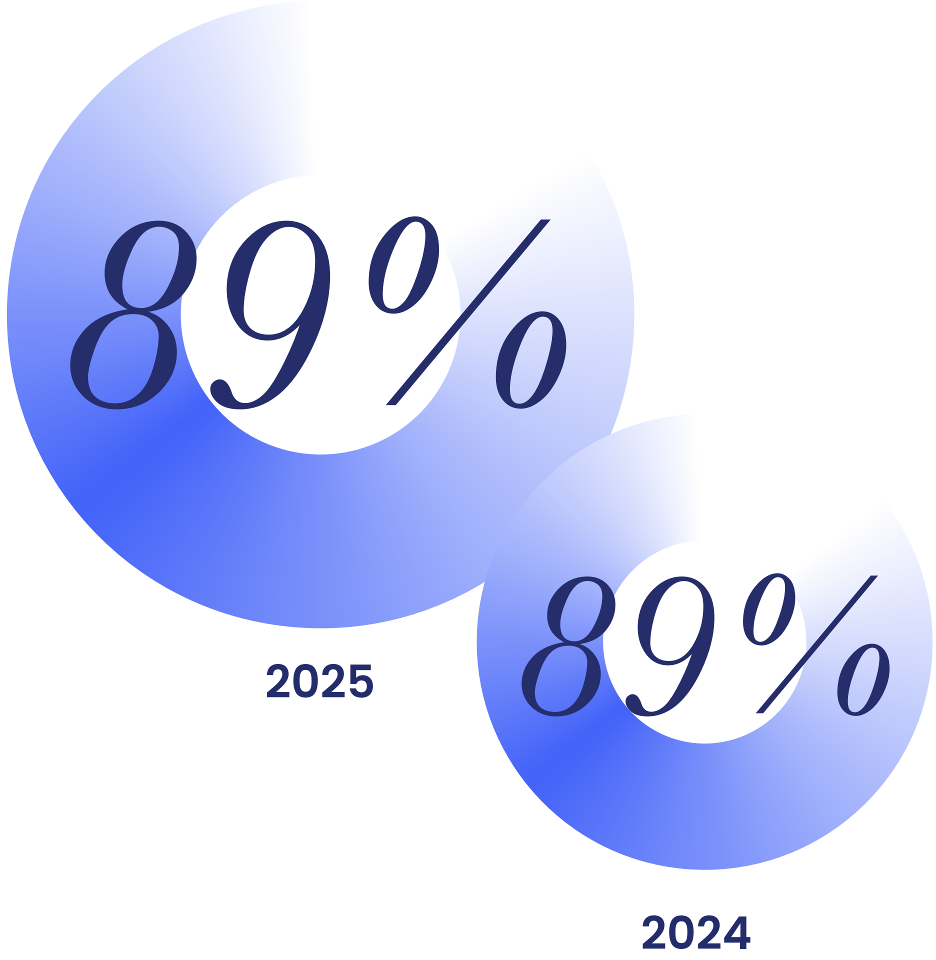
6%
in-store only

2024

Millennials Digital Engagement:

- ↓ **54%** hybrid shopping
- ↑ **31%** online delivery
- ↑ **8%** online pickup
- ↑ **8%** in-store only

Gen X 2025 Gift Shopping Behavior:



64%
hybrid shopping

20%
online delivery

5%
online pickup

6%
in-store only

2024

Gen X Digital Engagement:

- ↓ **50%** hybrid shopping
- ↑ **33%** online delivery
- ↑ **6%** online pickup
- ↑ **12%** in-store only

Baby Boomers 2025 Gift Shopping Behavior:

71%

2025

81%

2024

43%
hybrid shopping

25%
online delivery

3%
online pickup

17%
in-store only

2024

Baby Boomers Digital Engagement:

- ↑ **50%** hybrid shopping
- ↑ **29%** online delivery
- ↓ **2%** online pickup
- ↑ **20%** in-store only

What Generations Buy Online

While apparel leads online gift purchases overall at **64%**, generational preferences reveal distinct shopping priorities:

Gen Z Priorities:

73% Apparel
59% Electronics
55% Toys/books/games
48% Gift cards

Millennials Balance Variety:

67% Apparel
62% Electronics
60% Toys/books/games
58% Gift cards

Gen X Embraces Convenience:

63% Apparel
61% Electronics
60% Gift cards
54% Toys/books/games

Baby Boomers Prefer Simple Solutions:

50% Gift cards
47% Apparel
41% Toys/books/games
17% Buy nothing online *(vs 2-6% for other generations)*

The Spending Paradox

The Spending Paradox Amid Tariff Concerns

Bottom Line: Despite widespread economic anxiety, consumer spending intentions remain resilient, with strategic adaptations varying significantly by generation.

The Concern Landscape

76%

85%

While **76%** worry about tariffs and inflation affecting holiday prices, consumer spending intentions tell a different story, with **85%** planning to spend the same or more than last year.

31%
are very concerned and already changing how they shop

45%
are somewhat concerned about price impacts

22%
are not concerned

3%
are unsure

The Spending Paradox

- **51%** expect to spend about the same as last year
- **34%** expect to spend more
- **11%** expect to spend less
- **4%** don't plan to shop for gifts

Generational Responses to Economic Pressure

While spending plans remain steady, younger generations are much more likely to change their shopping strategies in response to price concerns.

Gen Z: Active Adaptation

42% waiting for big discounts

35% starting shopping earlier

34% hopping online to compare prices

29% buying fewer items

Millennials: Strategic Shoppers

43% waiting for big discounts

35% shopping online to compare prices

30% starting shopping earlier

29% buying fewer items

Gen X: Price-Conscious Comparers

42% shopping online to compare prices

25% waiting for big discounts

34% buying fewer items

34% choosing practical gifts

Baby Boomers: Steady Shoppers

45% making no changes

30% waiting for big discounts

20% shopping online to compare prices

19% buying fewer items

The Early Shopping Timeline Revolution

The data reveals a fundamental shift in when consumers begin their holiday shopping journey.

59%

of shoppers plan to start before November, compared to 53% in 2024 and just 41% in 2023, with 26% specifically starting earlier due to price concerns.

22% have already started shopping over the summer

23% plan to start in October alone

25% still wait for Black Friday weekend to begin shopping

59% of consumers now start before November

Most Influential Promotions

- **29%** Discounts or percent-off deals
- **26%** Free shipping
- **14%** Free gift or gift card with purchase
- **13%** Buy-one-get-one or bundle deals

Shopping Method Evolution

Physical-store-only shopping declined sharply in 2025, dropping from **14% to 8%** as consumers increasingly embrace digital-physical combinations.

2025

The Hybrid Takeover

- **59%** plan to use a mix of online and in-store shopping
- **27%** will shop mostly online **(21% for delivery, 6% for pickup)**
- **8%** plan to shop mostly in physical stores - down from 14% in 2024

2024

The Previous Landscape

- **51%** plan to use a mix of online and in-store shopping
- **35%** will shop mostly online **(30% for delivery, 5% for pickup)**
- **14%** plan to shop mostly in physical stores

2025 Holiday Insights Report

The Takeaway

6 Strategic Insights to Transform Your 2025 Holiday Marketing

Key Takeaways for Brand Marketers

1. Capitalize on the AI Discovery Revolution

AI adoption for gift inspiration more than doubled across younger generations, with Gen X leading growth at **188%.** This represents a new, rapidly expanding discovery channel that didn't exist meaningfully just one year ago.

2. Target by Category AND Generation

Category preferences matter more than age alone. Baby Boomers embrace digital for gifts (**71%**) but resist it for groceries (**32%**). Alcohol shows universal digital adoption regardless of age.

3. Accelerate Your Holiday Timeline

With **59%** starting before November, brands must launch campaigns earlier. This acceleration shows no signs of slowing, with **26%** specifically starting earlier due to price concerns.

4. Leverage Retailer Websites as Your Universal Channel

Retailer websites (**63%**) now surpass even friends and family (**54%**) for gift inspiration across all generations. While social media preferences vary wildly by age, this is your most reliable cross-generational discovery channel.

5. Address Economic Anxiety with Strategic Value

76% of consumers are concerned about tariff and inflation impacts, but different generations respond differently: younger consumers actively adapt strategies while **45%** of Baby Boomers make no changes.

6. Plan for the Hybrid-First Consumer

59% use hybrid shopping methods, and this trend spans all categories from gifts to groceries to alcohol. Pure digital or pure physical strategies miss the majority of consumers.

How we help you win this Holiday Season

The power of MORE in action

Real-time inventory & product data

Direct to cart, one-click

In-house bundles + recipes

Proprietary tech for brands (MOE)

Unlimited use subscriptions

The industry's deepest data set

Automated SmartSubstitution

Contact

Want to know more?

Contact us at sales@smartcommerce.com.

Methodology: SmartCommerce conducted a quantitative survey July 31, 2025 with a national sample and collected 600 responses (n=600). Respondents were required to be between the ages of 18-99. The respondents identified as 300 women and 300 men. This data is compared with our August 2024 survey using the same methodology.