



Monetate 2025 Holiday Shopper Survey

Unwrapping the Future: Strategic Insights into the 2025 Holiday Retail Landscape

September 2025



In an era of persistent economic volatility and rapid technological disruption, the holiday shopping season serves as a critical barometer for consumer sentiment and retail resilience. Drawing on fresh data from Monetate's independent survey of 1,500 U.S. consumers conducted in late August 2025, we at Monetate have analyzed emerging trends to distill actionable strategies for retail leaders. This analysis reveals a nuanced picture: shoppers are navigating inflationary pressures with a blend of caution and aspiration, increasingly turning to AI-enhanced experiences for value and personalization. For forward-thinking executives, the opportunity lies in orchestrating omnichannel strategies that build trust, drive efficiency, and foster long-term loyalty—transforming potential headwinds into competitive advantages.



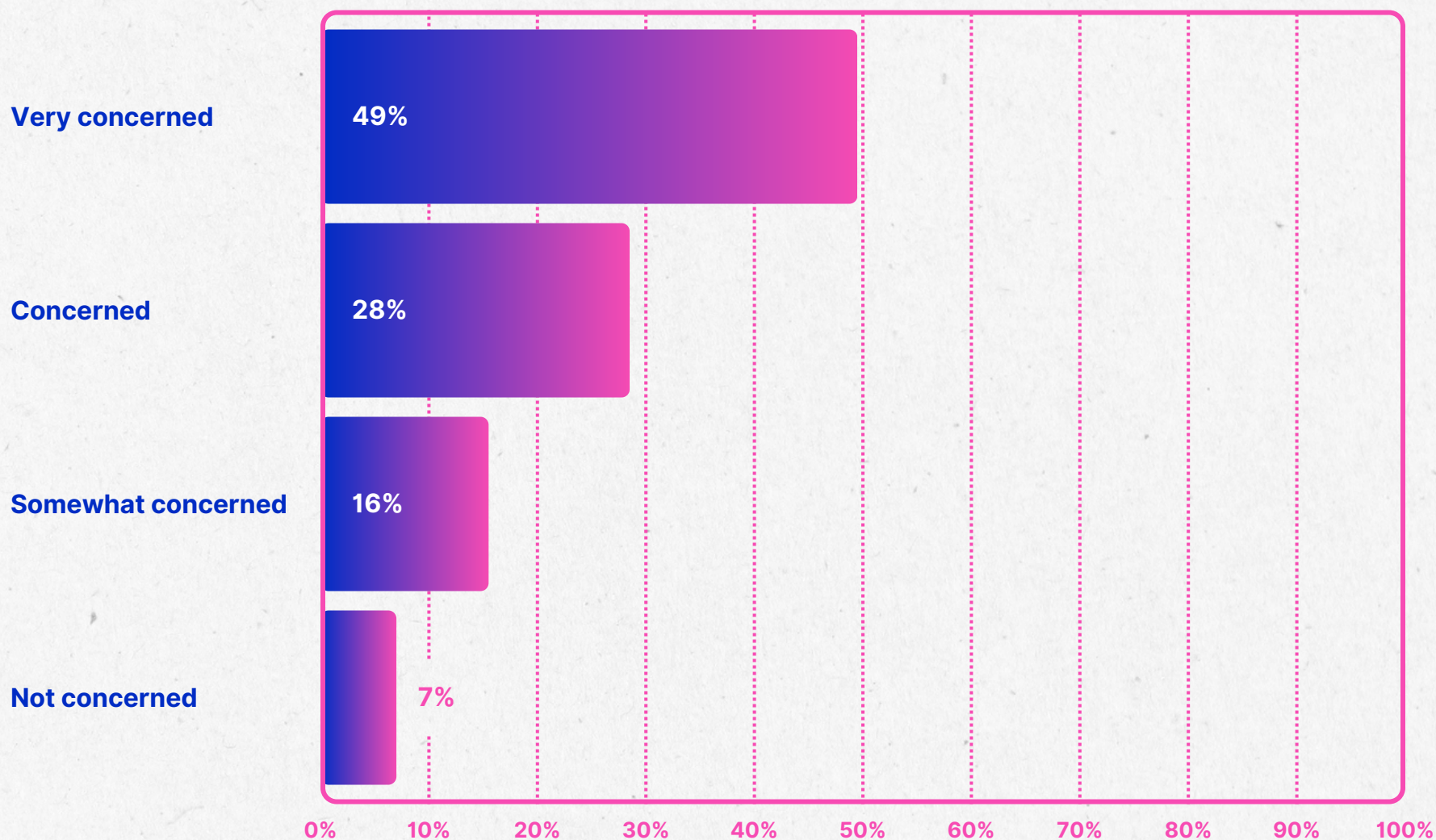


Navigating Economic Headwinds: The Rise of Value-Driven Consumerism

Amid broader macroeconomic uncertainties, consumers are approaching the 2025 holiday season with measured optimism. Our examination of the survey data indicates that nearly half (49%) of respondents express significant concern over rising prices due to tariffs or inflation, a sentiment that aligns with industry projections of subdued growth. For instance, eMarketer forecasts a modest 1.2% increase in holiday retail sales, underscoring a shift toward deal-seeking behaviors. Indeed, 76% of shoppers plan to prioritize discounts and promotions, while 49% intend to switch to more affordable brands.



How concerned are you about rising prices (e.g., tariffs or inflation) affecting your 2025 holiday shopping?

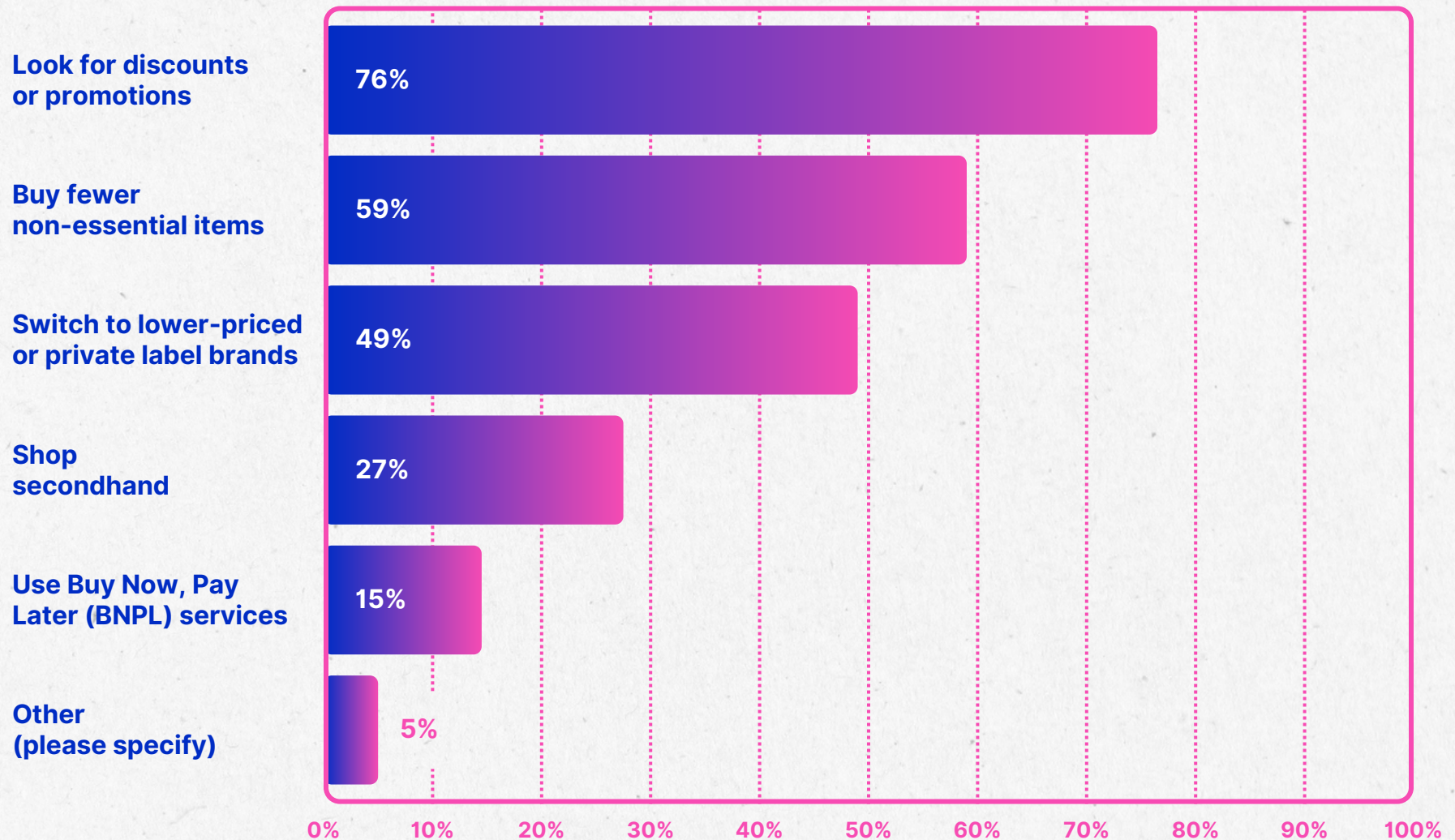


Answered: 1,497

Chart: Concern about rising prices



Which of the following actions will you take to manage holiday shopping costs in 2025? (Select all that apply)



Answered: 1,497

Chart: Actions to manage costs





Yet, this caution does not equate to contraction. More than half of consumers anticipate spending the same or more on gifts compared to 2024, reflecting a resilient desire for meaningful indulgences. This duality—balancing essentials with selective splurges—presents a strategic imperative for retailers: deploy AI-powered personalization to deliver targeted value in real time. By leveraging behavioral data to surface tailored promotions, such as private-label alternatives for price-sensitive segments, retailers can achieve uplifts of 15-20% in conversion rates. This approach not only mitigates cost concerns but initiates a virtuous cycle of engagement, where personalized interactions encourage repeat visits and deepen customer relationships.



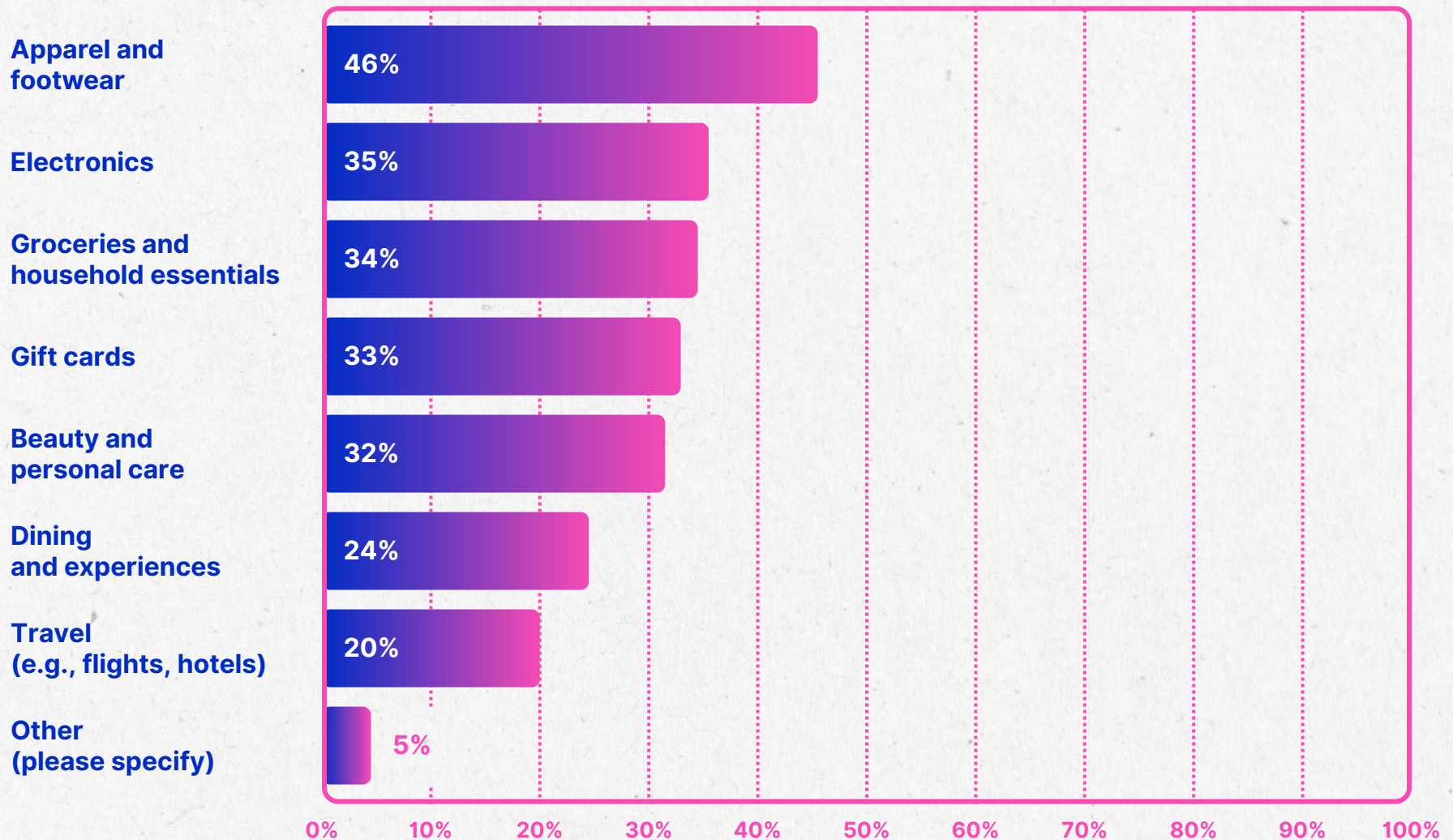


Prioritizing Categories: From Essentials to Experiential Splurges

The survey highlights a clear hierarchy in spending priorities, with apparel and footwear leading at 46%, followed by electronics (35%) and groceries/household items (34%). The prominence of groceries signals broader economic strains, as families allocate budgets to necessities amid tighter wallets. Concurrently, 64% of respondents plan to indulge themselves or others, with electronics (40%) and travel/experiences (38%) topping splurge categories—a manifestation of the "treat yourself" ethos in a digitally influenced marketplace.



Which product categories will you prioritize for holiday spending in 2025? (Select up to 3)

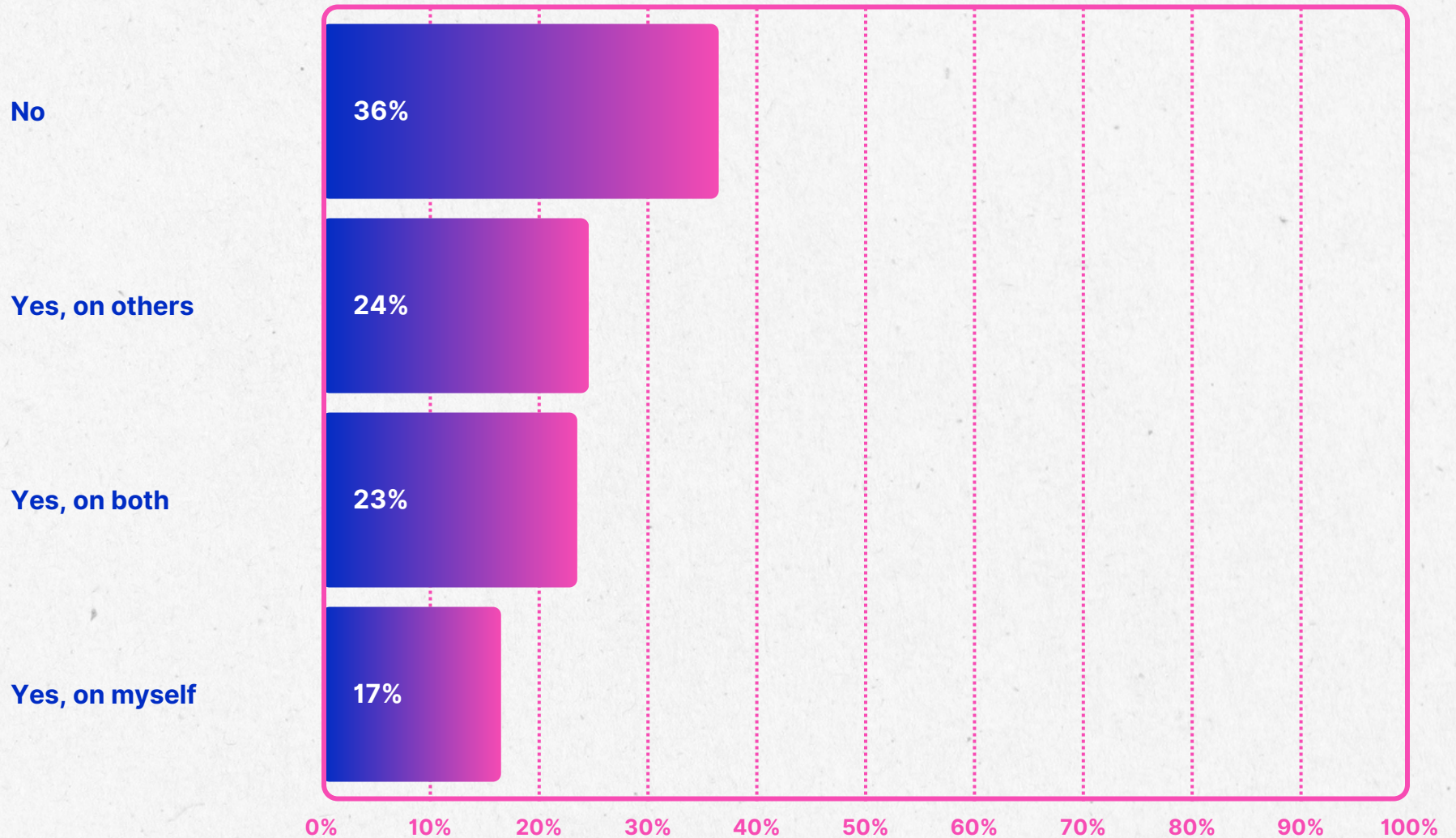


Answered: 1,497

Chart: Product categories prioritized



Do you plan to splurge on yourself, others, or both during the 2025 holiday season?

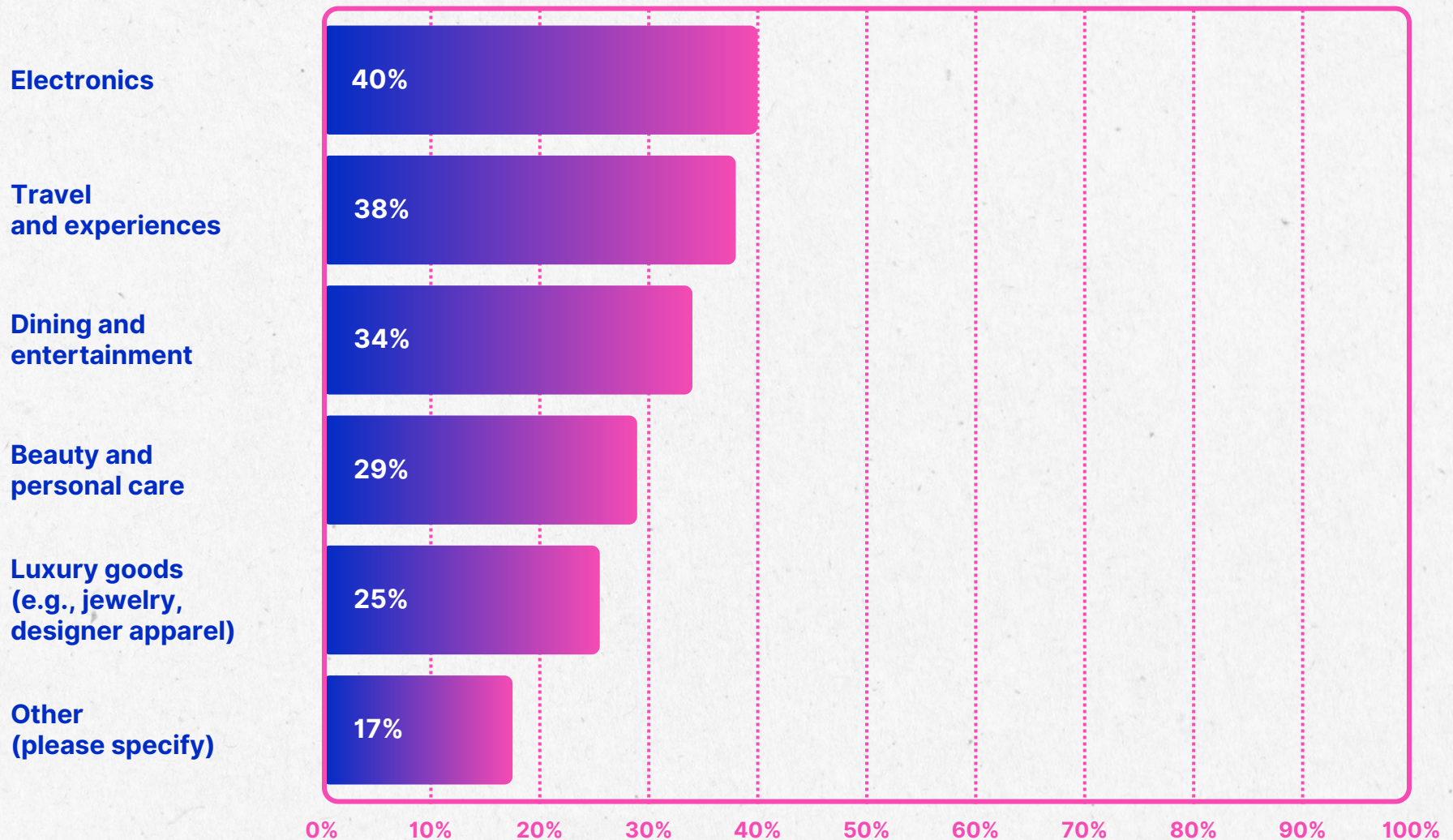


Answered: 1,497

Chart: Plans to splurge



If splurging, which categories are you most likely to spend on? (Select up to 3)



Answered: 1,497

Chart: Splurge categories

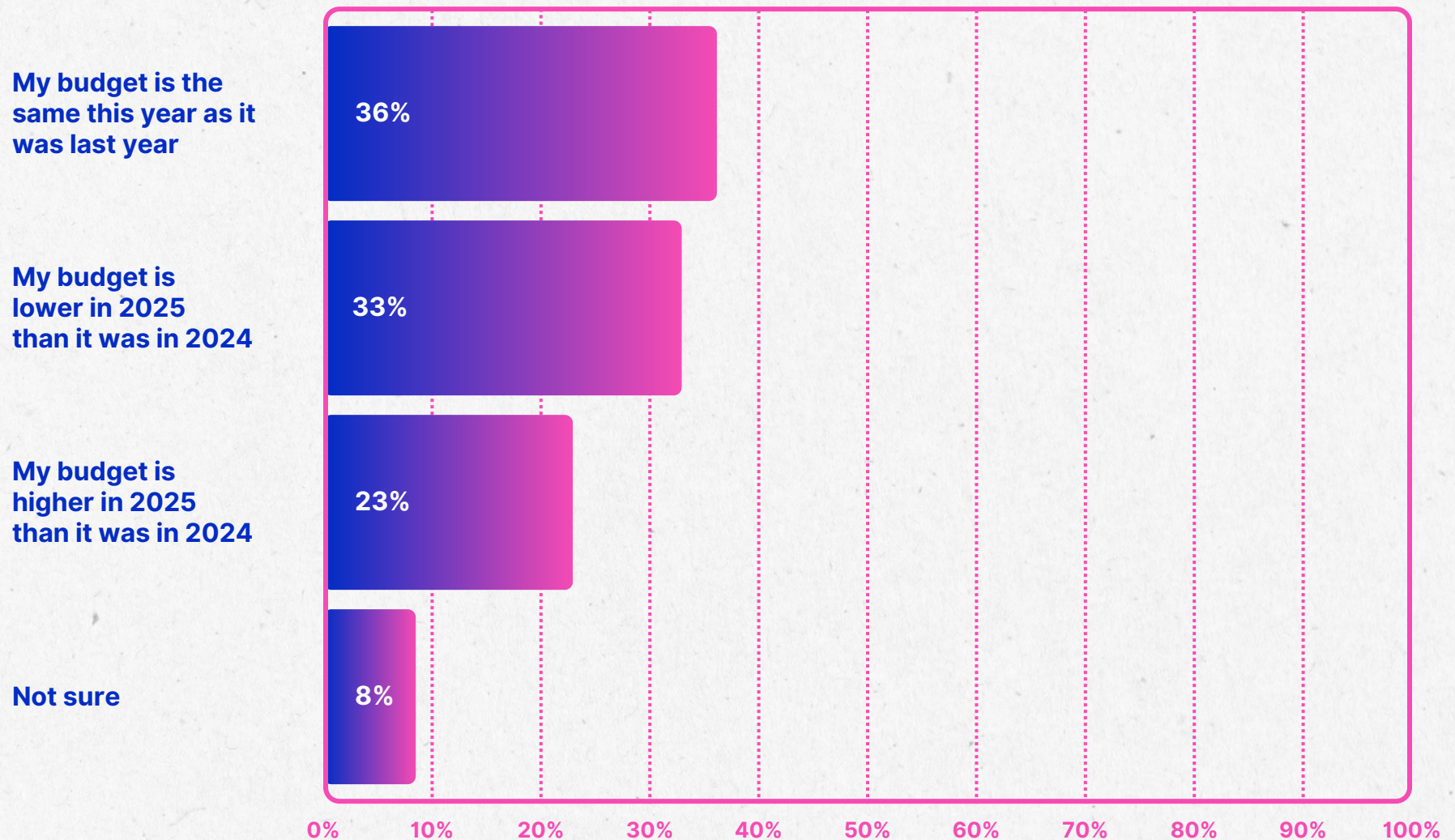




Retail leaders should view this as an invitation to curate hyper-personalized assortments. For example, AI-driven recommendation engines can bundle high-priority items like electronics with complementary add-ons, potentially boosting average order values by 25%. In categories like groceries, targeted discount campaigns can capture budget allocations, while gift cards—prioritized by 33% of shoppers—offer a low-risk entry point for value seekers. The key is iterative experimentation: A/B testing personalized bundles refines algorithms, yielding richer insights and sustained loyalty in an increasingly mobile-first environment.



How does your 2025 holiday shopping budget compare to 2024?



Answered: 1,497

Chart: Budget comparison



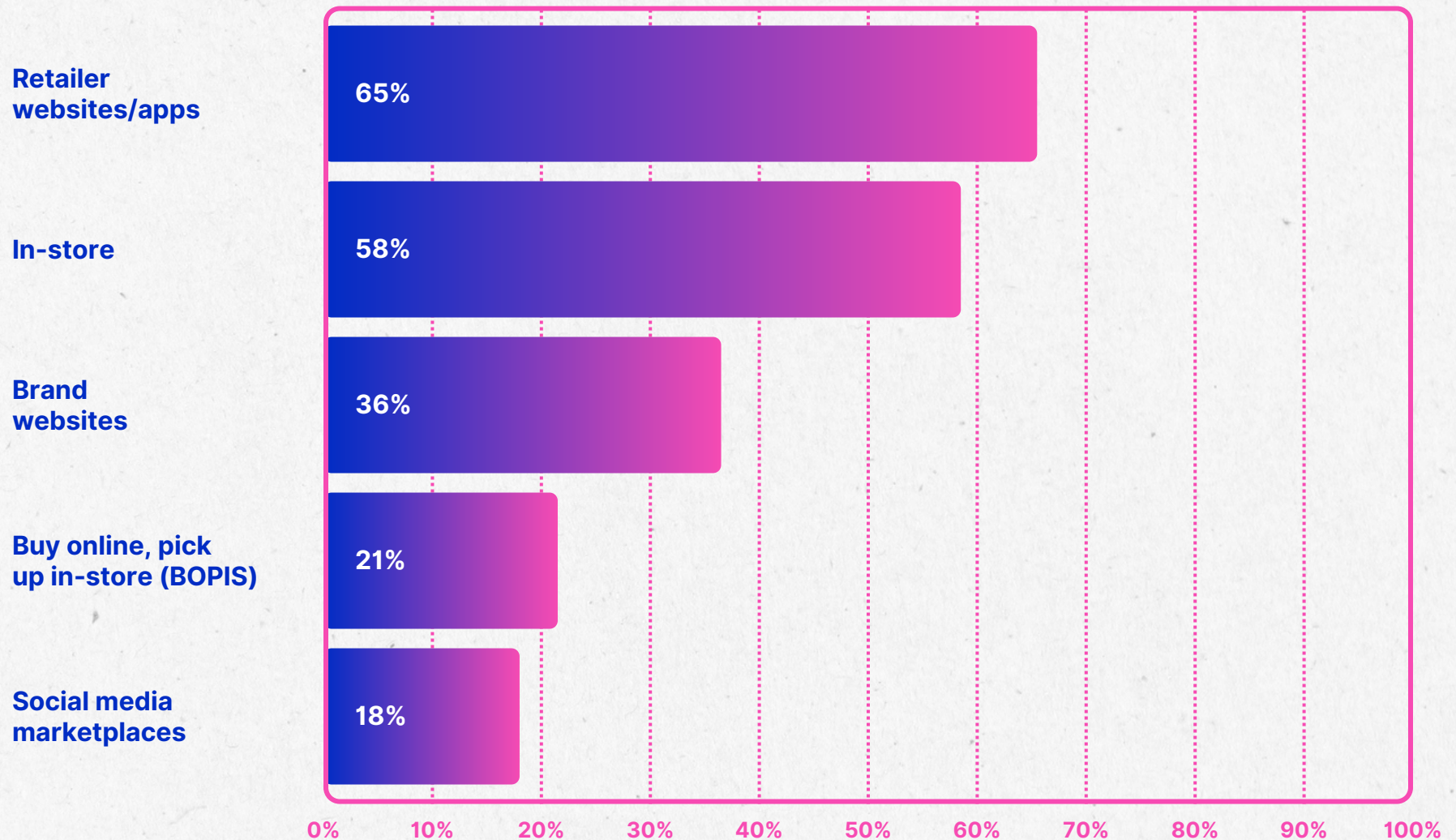


The Omnichannel Imperative: Blending Digital and Physical Touchpoints

Consumer journeys are evolving toward seamless integration, with 65% planning greater reliance on retailer websites and apps, 58% favoring in-store visits, and 21% opting for buy-online-pickup-in-store (BOPIS). Loyalty to local businesses remains strong, valued by 62% of respondents, while social media influences 32% of purchases. Notably, online stores (63%) and mobile devices (43%) edge out physical stores (42%) as preferred channels, emphasizing the need for unified experiences.



Which shopping channels will you use more in 2025 compared to 2024? (Select all that apply)

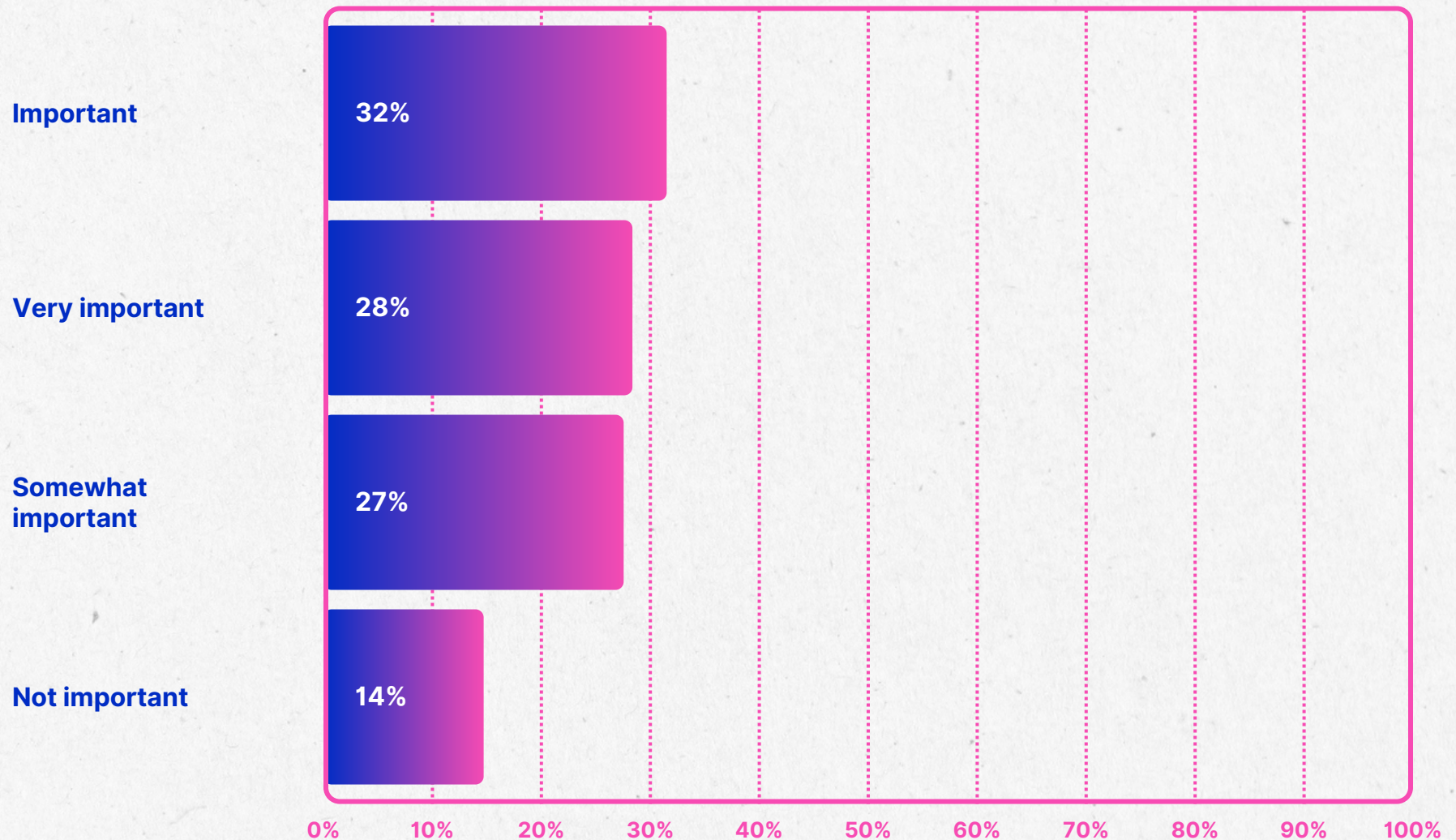


Answered: 1,497

Chart: Shopping channels



How important is it to shop with locally owned companies during the 2025 holiday season?



Answered: 1,497

Chart: Importance of local companies





To capitalize on this shift, retailers must invest in AI-orchestrated omnichannel strategies. Geo-targeted promotions, for instance, can personalize BOPIS reminders, driving 30% higher conversions as seen in leading implementations. By synchronizing data across touchpoints—web, app, in-store—executives can create context-aware interactions that enhance convenience and generate actionable insights for continuous optimization. This holistic approach not only meets shoppers where they are but fortifies resilience against channel fragmentation.



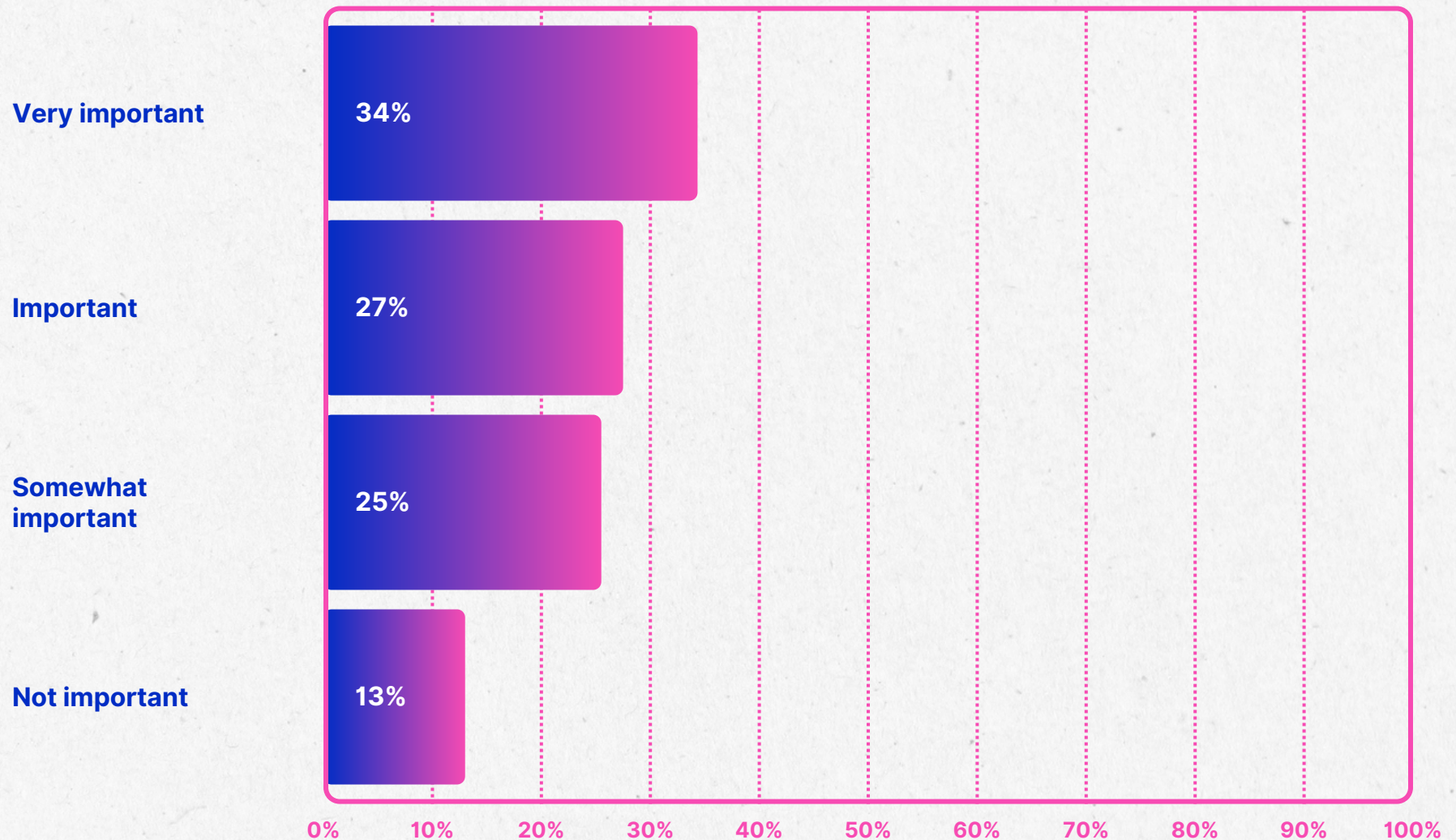


Loyalty in the Age of Personalization: Beyond Generic Rewards

In a competitive landscape, loyalty programs emerge as a cornerstone, deemed important by 61% of consumers. Exclusive discounts (70%) and free shipping (64%) are primary attractions, with personalized recommendations appealing to 22%. This data underscores a pivot from one-size-fits-all incentives to individualized value propositions.



How important are loyalty programs in your 2025 holiday shopping decisions?

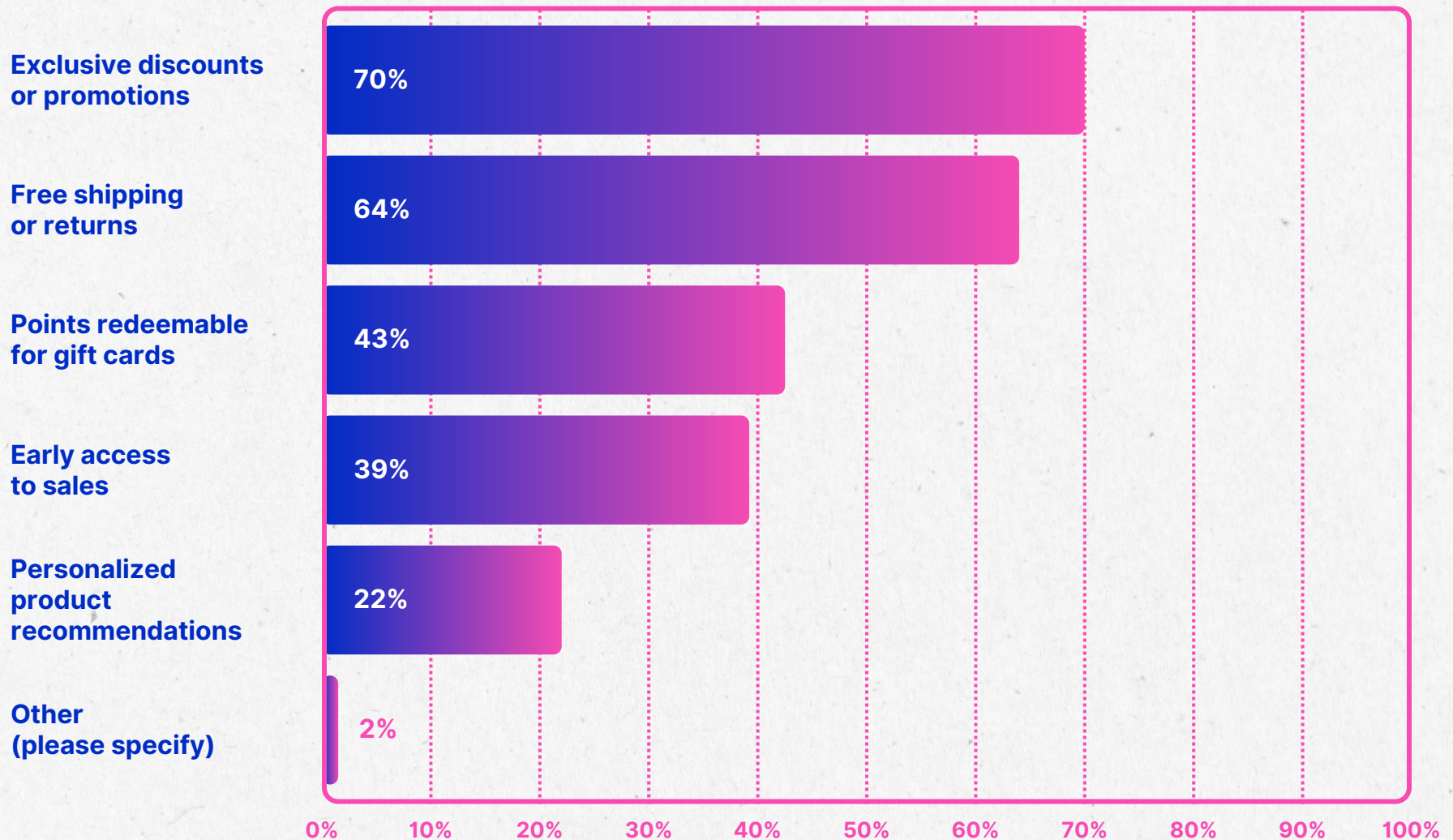


Answered: 1,497

Chart: Importance of loyalty programs



Which loyalty program features would make you more likely to shop with a brand this holiday season? (Select all that apply)



Answered: 1,497

Chart: Loyalty features





Strategic retailers will harness AI to tailor rewards—such as early sale access for high-engagement segments—fostering a sense of exclusivity. Experimentation tools enable rapid iteration, measuring uplift and scaling successes. In tandem with emerging trends like Buy Now Pay Later (adopted by 15% of shoppers), these programs cultivate advocates, turning seasonal buyers into perennial assets through trust-based, data-informed ecosystems.



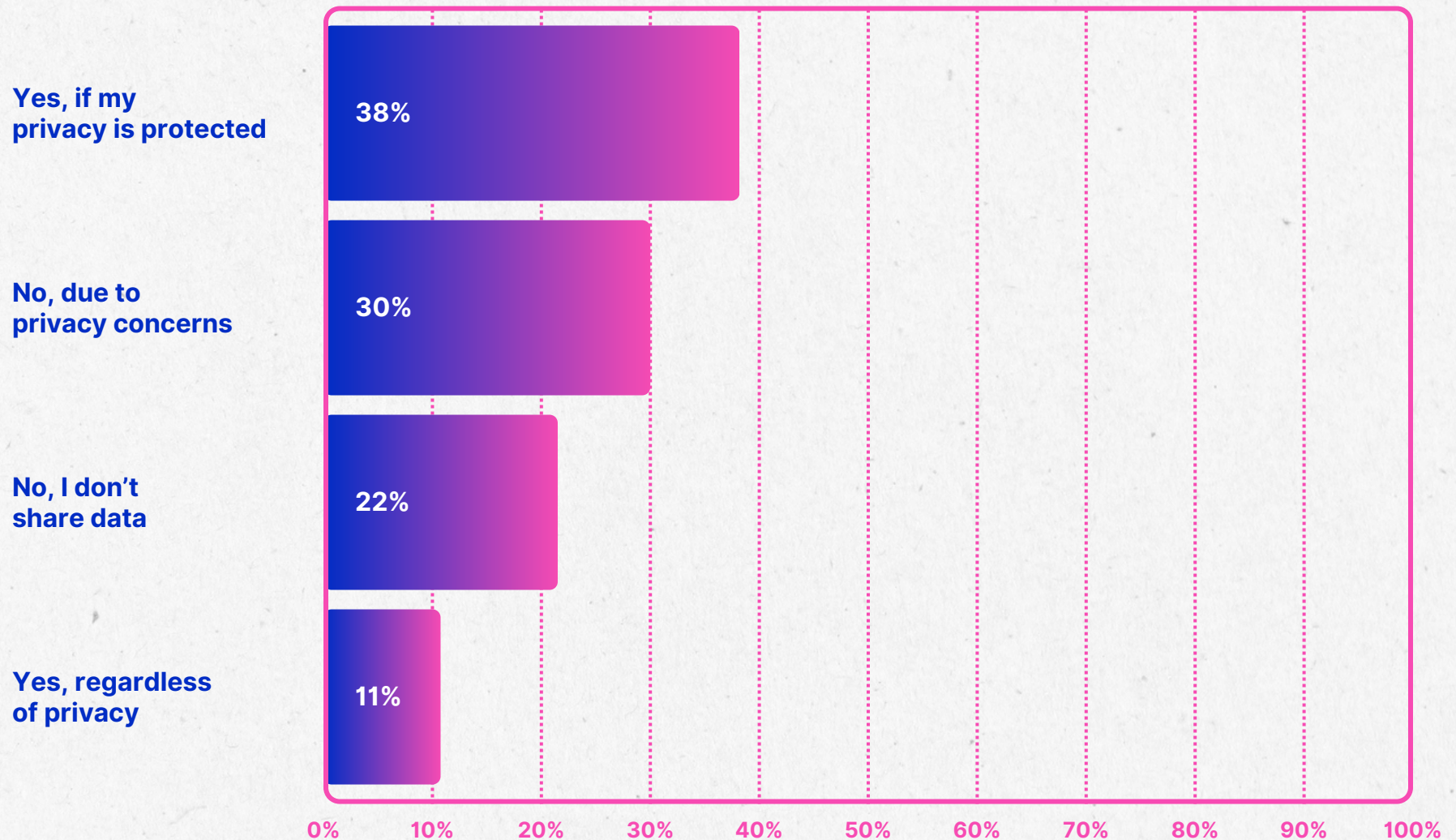


AI's Dual Edge: Harnessing Innovation with Ethical Guardrails

AI's role in retail is poised for acceleration, with 69% of shoppers open to AI guidance and 47% receptive to suggestions for gifts and deals. However, caution prevails: 53% express reservations, often citing privacy concerns (30%), though 38% would share data if protections are assured. Preferences lean toward trusted inputs like friends/family recommendations (63%) and reviews (53%), aligning with forecasts of AI-driven discovery via mobile.



Would you share personal data with retailers in exchange for personalized holiday offers powered by AI?

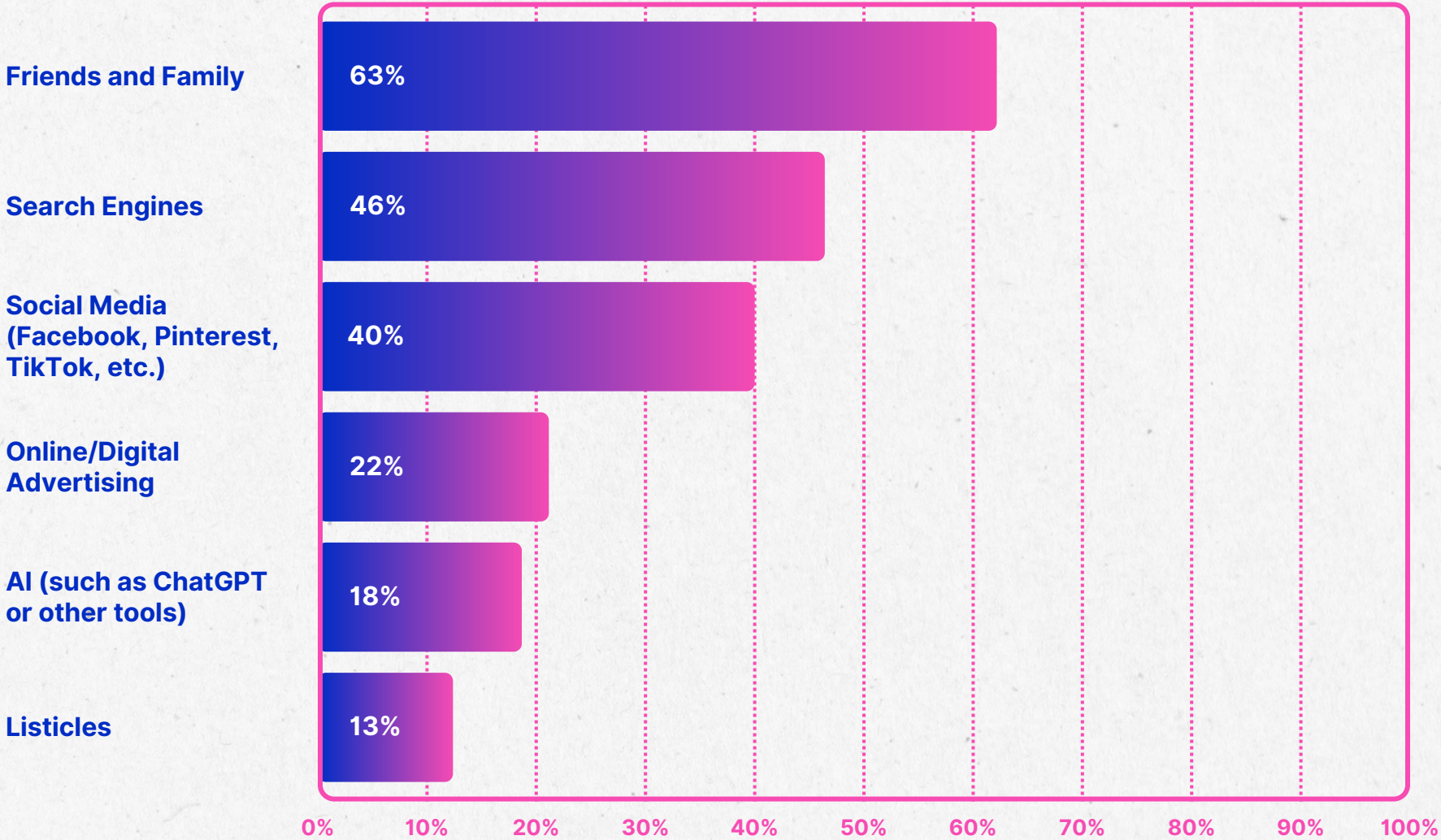


Answered: 1,497

Chart: Sharing data for AI offers



Where are you getting your holiday gift recommendations from? (Select all that apply)



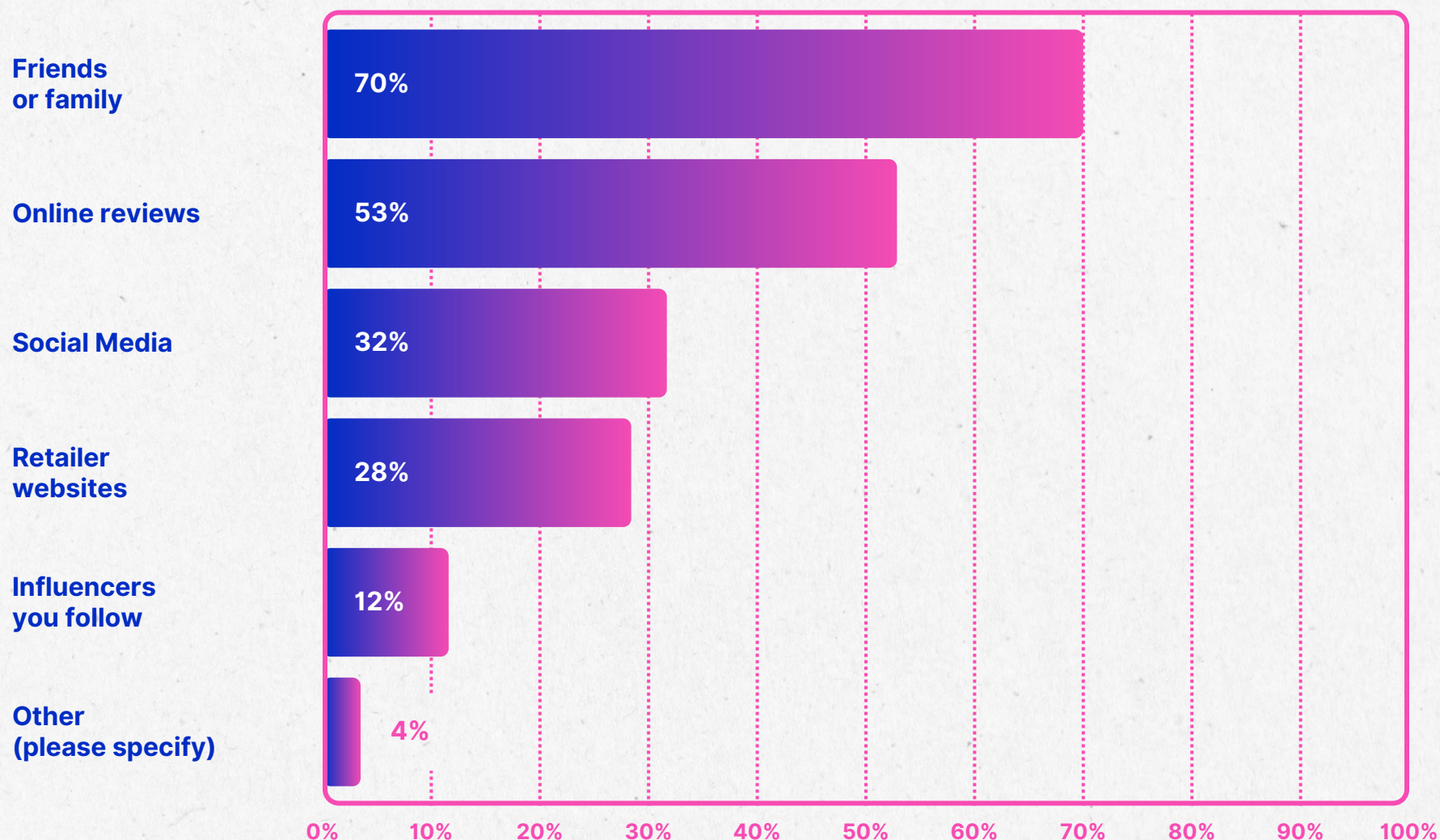
Answered: 1,497

Chart: Recommendation sources



Which sources most influence your 2025 holiday purchases?

(Select up to 3)

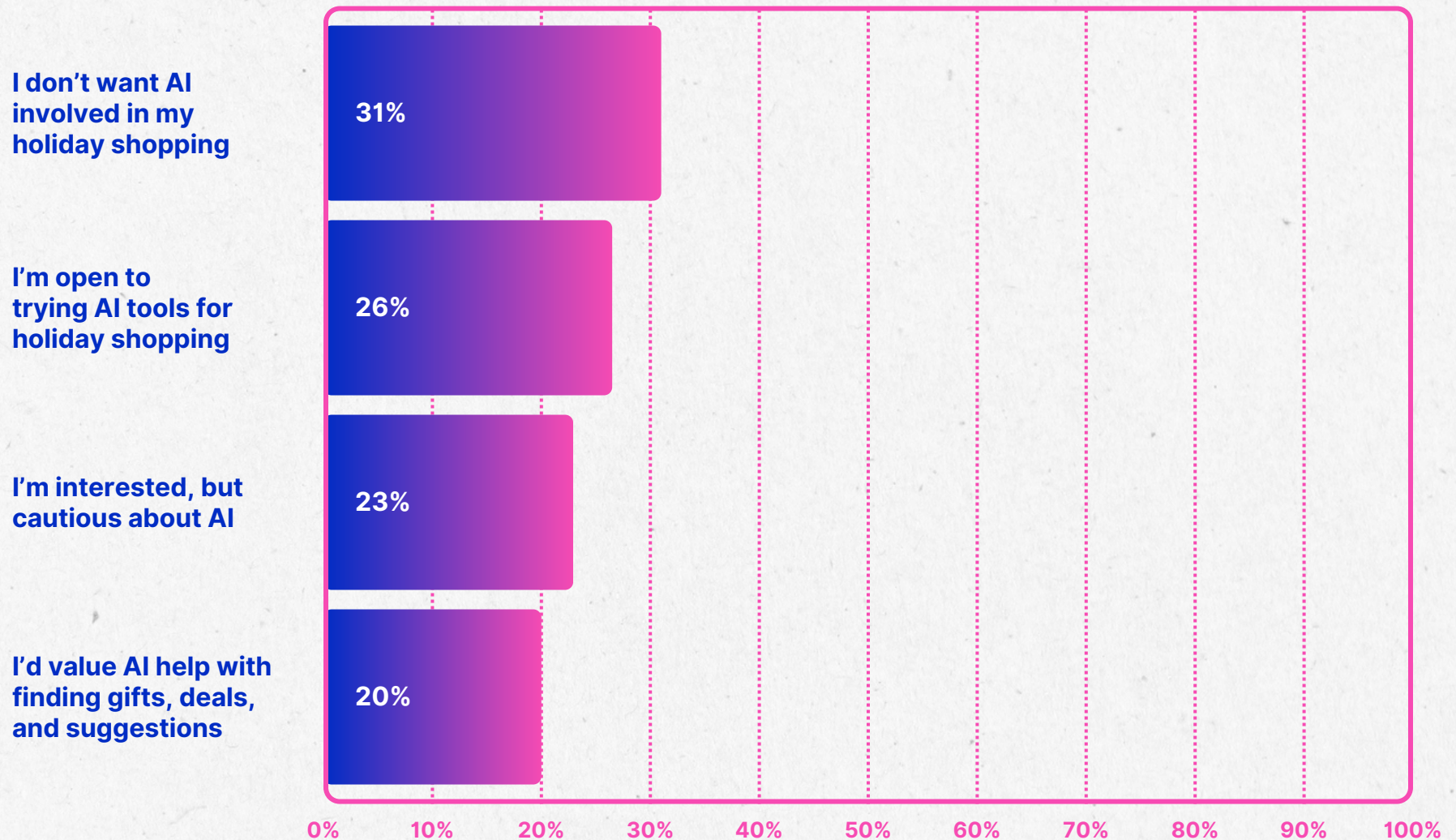


Answered: 1,497

Chart: Sources influencing purchases



How do you feel about AI helping guide your holiday shopping decisions?



Answered: 1,497

Chart: Feelings about AI in shopping





For executives, the path forward involves ethical AI deployment—consent-based personalization that respects boundaries while delivering relevance. AI-enhanced gift guides, informed by social proof, can elevate click-through rates by 18%. By integrating third-party validations (e.g., review APIs) and experimenting with variants, retailers build transparency, mitigating risks and unlocking AI's transformative potential.



Forging a Path to Holiday Success: Fifteen Imperatives for Retail Leaders

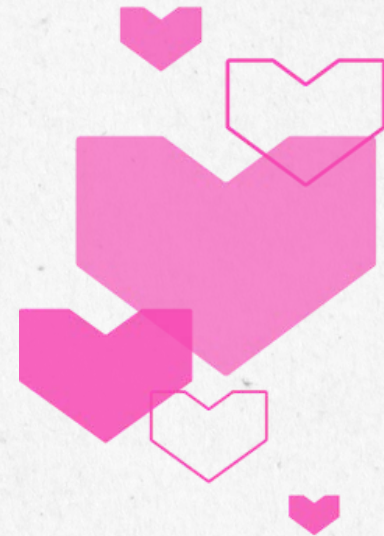
The 2025 holiday season demands agility and foresight. Based on our analysis, here are 15 high-impact strategies to engage shoppers, optimize operations, and secure enduring advantages:

Engaging Cost-Conscious Shoppers:

- Deliver real-time, price-sensitive promotions via AI, tailoring private-label options to behavioral profiles.
- Optimize discounts through dynamic A/B testing, adjusting thresholds based on purchase history.
- Bundle essentials with indulgences, such as electronics and apparel, to elevate order values by up to 25%.
- Spotlight gift cards with targeted pop-ups, refined via algorithmic experimentation.

Creating Seamless Omnichannel Experiences:

- Leverage geo-targeted offers and BOPIS reminders to boost conversions by 30%.
- Unify customer journeys across channels with context-specific AI messaging for deeper loyalty.



Elevating Loyalty Programs:

- Personalize rewards like discounts and shipping based on individual behaviors, using tools for measurement.
- Embed AI incentives in privacy-compliant frameworks to foster lifelong advocacy.

Building Trust with Ethical AI:

- Deploy consent-based personalization for gift guides, influenced by trusted sources to enhance engagement.
- Amplify social proof through integrated reviews, accelerating decisions with profile-tailored labels.

Simplifying Gift-Giving:

- Streamline flows with AI-guided finders and e-gift prompts, especially post-shipping deadlines.

Investing in Emerging Approaches:

- Test BNPL messaging for high-basket segments to appeal to budget-conscious buyers.
- Emphasize local engagement with tailored promotions to drive in-store and BOPIS traffic.

Adopting Continuous Experimentation:

- Iterate via A/B testing and AI to scale personalization variants.
- Fuel a virtuous cycle of insights, refining strategies for superior conversions and value.





Charting the Course Ahead

As the retail sector stands at the cusp of AI-infused transformation, the 2025 holidays represent a pivotal opportunity to redefine customer relationships. By embracing data-driven personalization, ethical innovation, and iterative experimentation, leaders can transcend economic pressures, delivering experiences that resonate deeply and drive sustainable growth. At Monetate, we partner with organizations to translate such insights into tangible outcomes. For a deeper exploration of these strategies or to discuss tailored applications for your business, we invite you to connect with our retail experts. Visit monetate.com today to learn more about our solutions and connect with a member of our team. Or, dive deeper into our resources at monetate.com/blog for more e-commerce strategies.

**Together, let's make this your
most profitable holiday yet.**

Contact us today

