

2026 holiday shopping trends

The impact of holiday ads, AI use case shifts, the impact of rising costs and more.





As the 2026 holiday shopping season picks up, how should marketers react to consumer sentiment?

As marketers prepare for the busiest part of the holiday shopping season (the last two weeks of November and the first two weeks of December), Epsilon Pulse wanted to check in with consumers. We wanted to know how much they plan to spend, how they're using AI, what inspiration channels are driving the most impact and more.

Overall, we thought inflation and rising costs would have much more of an impact on consumer sentiment, but that's not what the data showed us this year. Everything might cost more, but people across generations have adapted their spending strategies accordingly to make sure no one is left out of the festivities.

Beyond that, we saw that in-store and online continue to be equally popular, and holiday ads have a high impact on consumer spending. Keep reading to learn more about what to expect during the holiday shopping season.

What's in this report?

- The impact of holiday ads on consumer spending
- How consumers leverage AI for holiday shopping
- The average anticipated spend for the 2026 holiday shopping season and top spending categories
- How item category impacts in-store vs. online preferences
- Sources of holiday shopping inspiration

Let's begin.



2026 holiday shopping trends

How consumers expect to spend during the shopping season ahead

- Holiday ads **drive engagement more than ads for other major retail shopping events** with 81% saying they act after seeing a holiday ad.
- Almost half of consumers use AI to help with holiday shopping. **30% Gen Z say they use AI for holiday shopping often, almost or always**, while boomers are the least likely to use AI for holiday shopping.
- Rising costs aren't impacting expected holiday spend as much as we thought. 52% expect to spend the same on holiday shopping this year, while **2 in 5 Gen Z and millennials expect to spend more**.
- Giving back is a priority for consumers, with **3 in 4 consumers donating time or money** during the holiday season.
- In-store and online are equally popular for holiday shopping, but **Gen Z especially values in-store options when shopping for gifts**.
- Online and social channels are driving the bulk of holiday gift inspiration, especially for younger generations.

Quick stats

52% expect to spend the same amount on holiday shopping this year.

87% plan holiday shopping in advance.

41% of Gen Z and millennials say they're likely to purchase gifts via a holiday shopping catalog.

\$946 is the expected average holiday spend.

37% make a purchase after watching a holiday ad.

48% use AI tools for holiday shopping.

Why this matters for marketers

As the holiday shopping journey evolves, your marketing strategy needs to adapt to offer a streamlined and consistent experience across channels. Better understanding who your customers are and what they care about gives you deeper insight into what they're looking for so your messages hit the mark.





Key findings

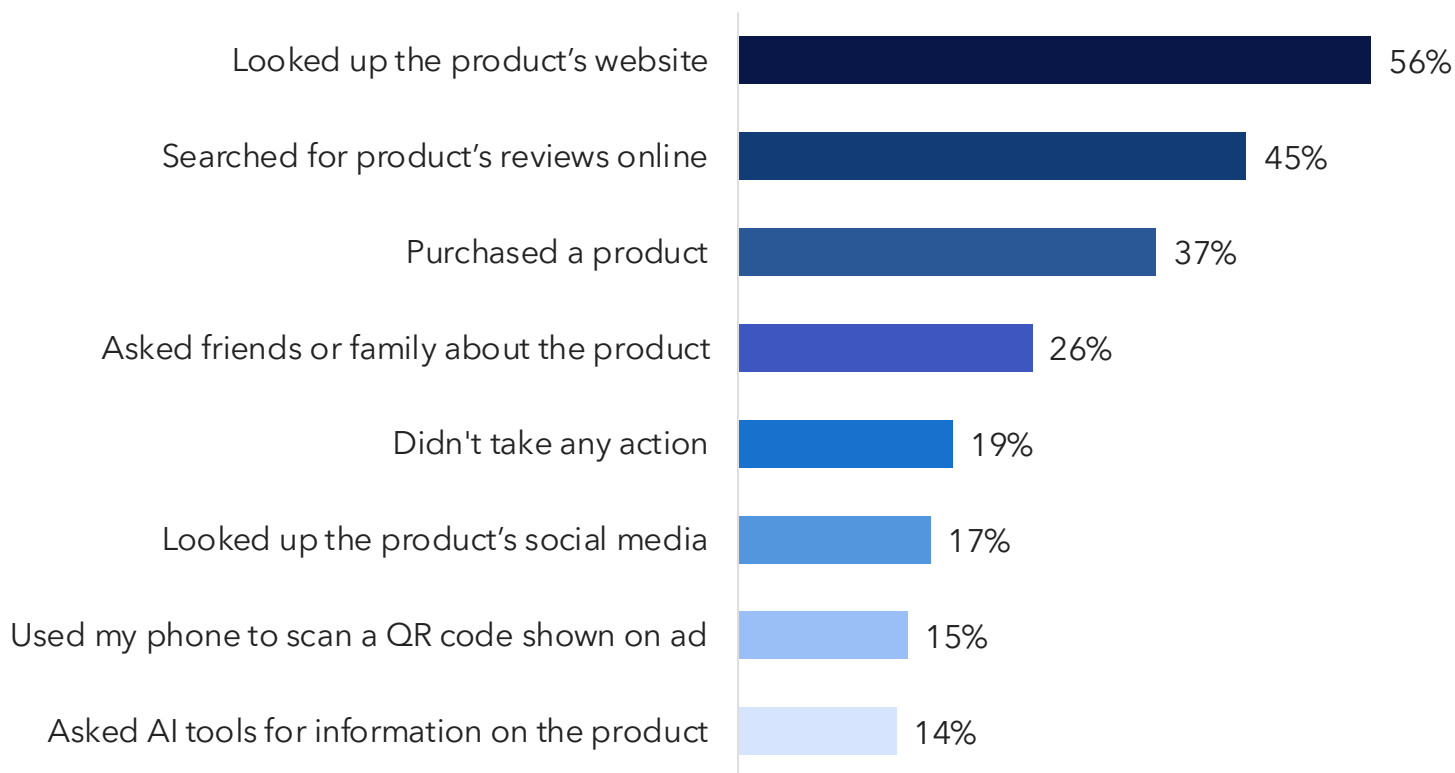
KEY FINDINGS

Holiday ads have a greater impact on spending than ads for other major retail shopping events.

While the most popular actions are associated with boosting brand awareness like looking up a product's website or searching for reviews, 37% said they ended up making a purchase, which is higher than what we found in similar surveys. In our [back-to-school spending](#) survey, 26% said they made a purchase¹, compared to 29% in our [Halloween retail trends](#) survey².

Actions taken after seeing a holiday shopping ad

Total (n=1,962)



81%

act after seeing a holiday ad, especially younger consumers.

1. Source: Epsilon Pulse back-to-school research, 2026; 2. Source: Epsilon Pulse Halloween research, 2026.



KEY FINDINGS

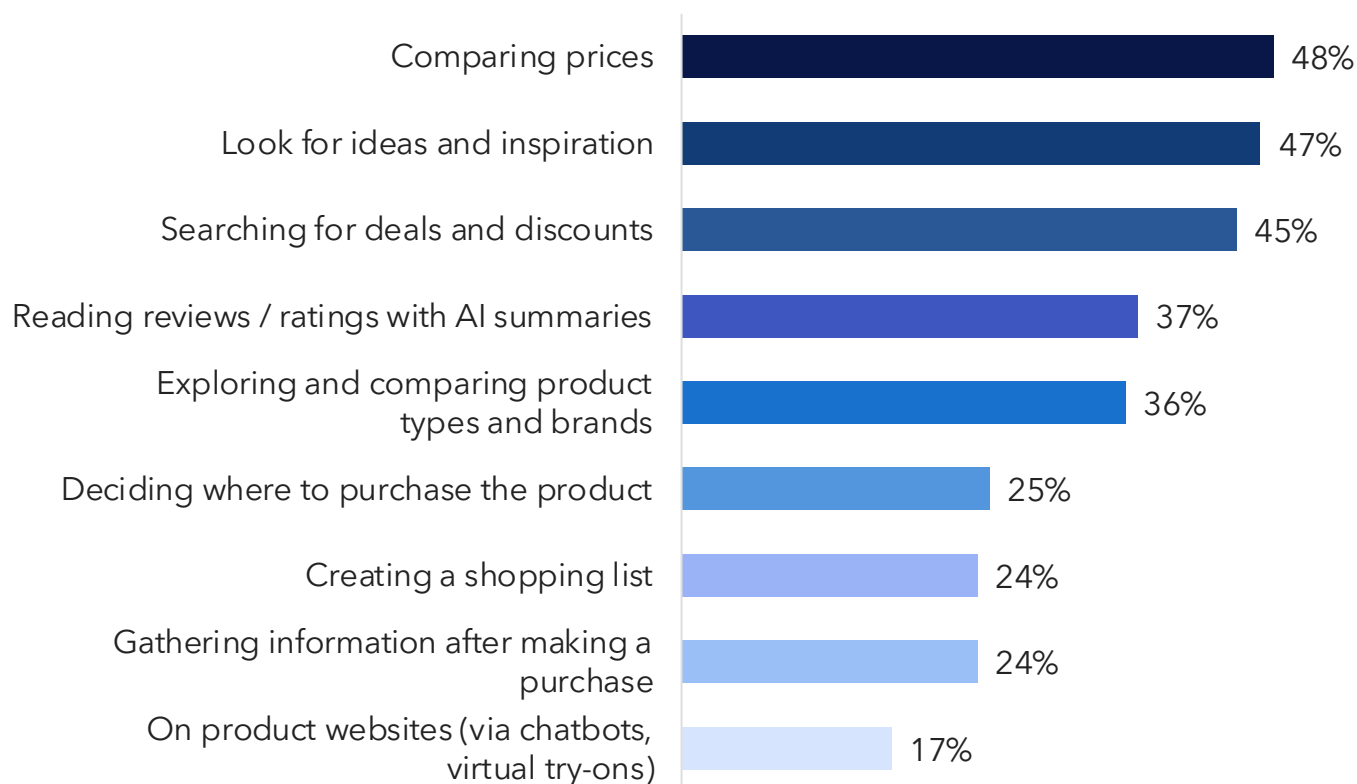
As AI use increases, the holiday shopping journey is shifting too.

As AI tools continue to become more accessible, it's no surprise that almost half of consumers are using them to help with holiday shopping. Three in 10 Gen Z say they use AI for holiday shopping often, almost or always, while boomers are the least likely to use AI for holiday shopping. The top AI use cases for holiday include comparing prices, looking for ideas and inspiration and searching for deals and discounts.

As AI tools continue to change the consumer journey, brands need to keep AI search visibility in mind when they're building their websites, product pages and offers. Learn more about [how consumers are using AI in 2026](#) and how to adapt your strategy to reach your audience.

How AI is used for holiday shopping

Total (n=949)



48%

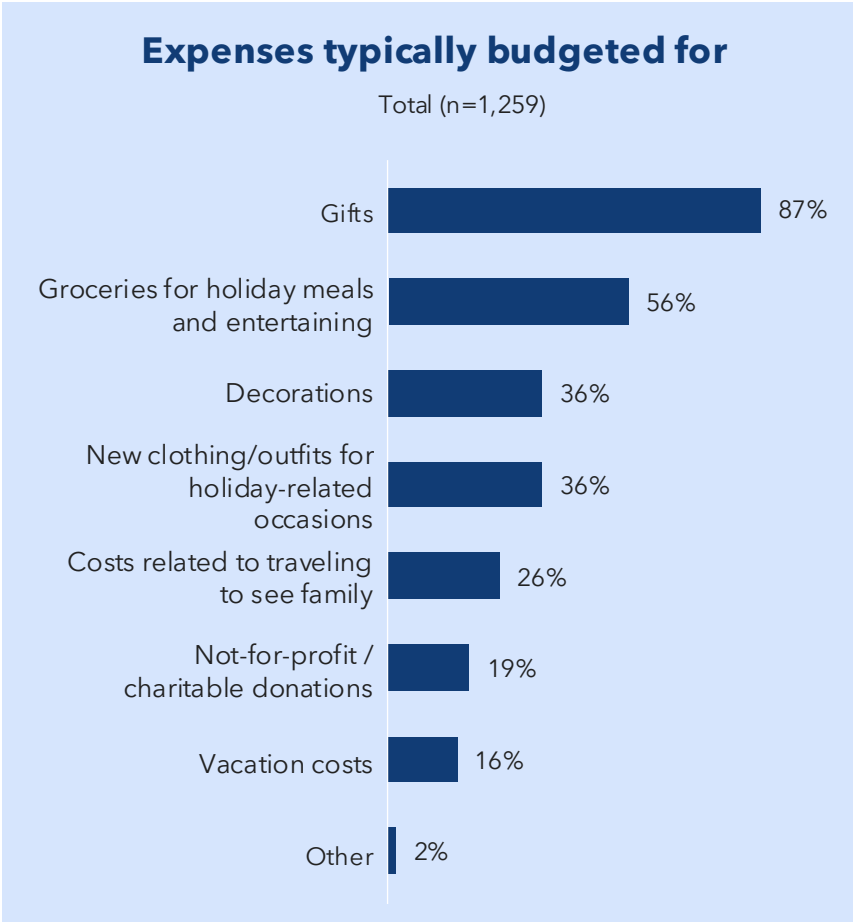
use AI tools for holiday shopping, especially Gen Z and millennials.

KEY FINDINGS

Rising costs aren't impacting expected holiday spend as much as we thought.

As we gear up for the holiday shopping season, inflation isn't driving spending changes as much as we expected. Consumers enjoy holiday shopping (especially Gen Z), and 2 in 5 Gen Z and millennials even expect to spend more this year. That said, two-thirds of consumers set a budget for holiday spending, and nearly all plan to look for sales and discounts to help them save money. Consumers expect to spend \$946, on average, across categories this year, which is higher than in 2025.

Average anticipated spend	Total (n=1,962)
Gifts	\$518
Costs related to going on vacation	\$215
Groceries for holiday meals and entertaining	\$203
Costs related to traveling to see family	\$177
New clothing / outfits for holiday-related occasions	\$127
Not-for-profit / charitable donations	\$113
Decorations	\$91
Other	\$61



52%

expect to spend the same amount on holiday shopping this year.



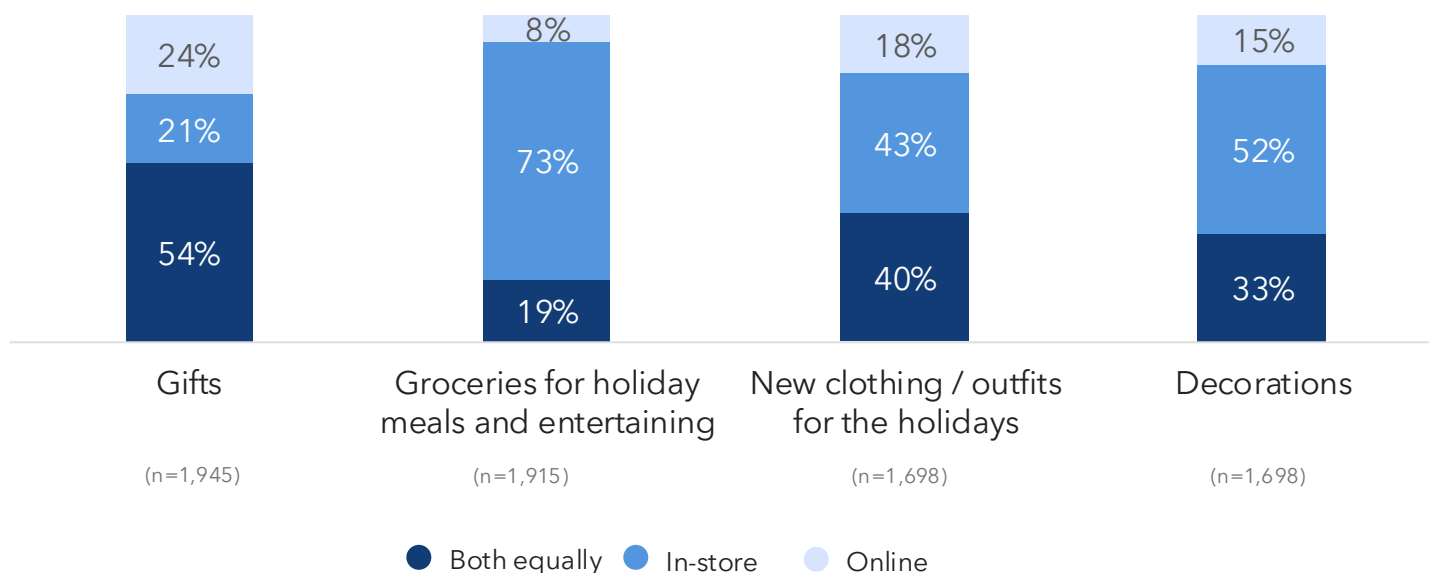
In-store and online are equally popular, but Gen Z especially values in-store options when shopping for gifts.

While it might be easy to assume younger generations prefer online shopping for all categories, we actually see that Gen Z has a stronger preference for buying holiday gifts in-store. There's also an increased shift toward analog channels, with 41% of Gen Z and millennials saying they're likely to purchase gifts via a holiday shopping catalog (compared to 36% across generations). To make an impact with younger demographics, marketers need to make sure advertising messages connect across channels, including online, in-store, on social, display, catalogs and beyond.

In-store shopping preferences for holiday gifts



Preferred shopping method for all generations and across item categories



KEY FINDINGS

Giving back is a priority for consumers during the holiday shopping season.

Despite shopping lists getting longer and longer every year, consumers still make a point to prioritize giving back in their holiday shopping budgets.

In 2026, consumers expect to spend an average of \$113 on not-for-profit or charitable donations, and the top charitable acts include donating food or household goods, donating money or donating gifts.

Gen Z is most likely to volunteer, while millennials, Gen X and boomers are more likely to donate money.

Charitable acts during holiday season

Total (n=1,962)

Donate food, household goods	45%
Donate money	43%
Donate gifts	38%
Volunteer	20%
Other type of donation	8%



3 in 4

Donate or volunteer during the holiday season; two in five donate money.

19%

Typically include not-for-profit/charitable donations in their holiday shopping budgets.

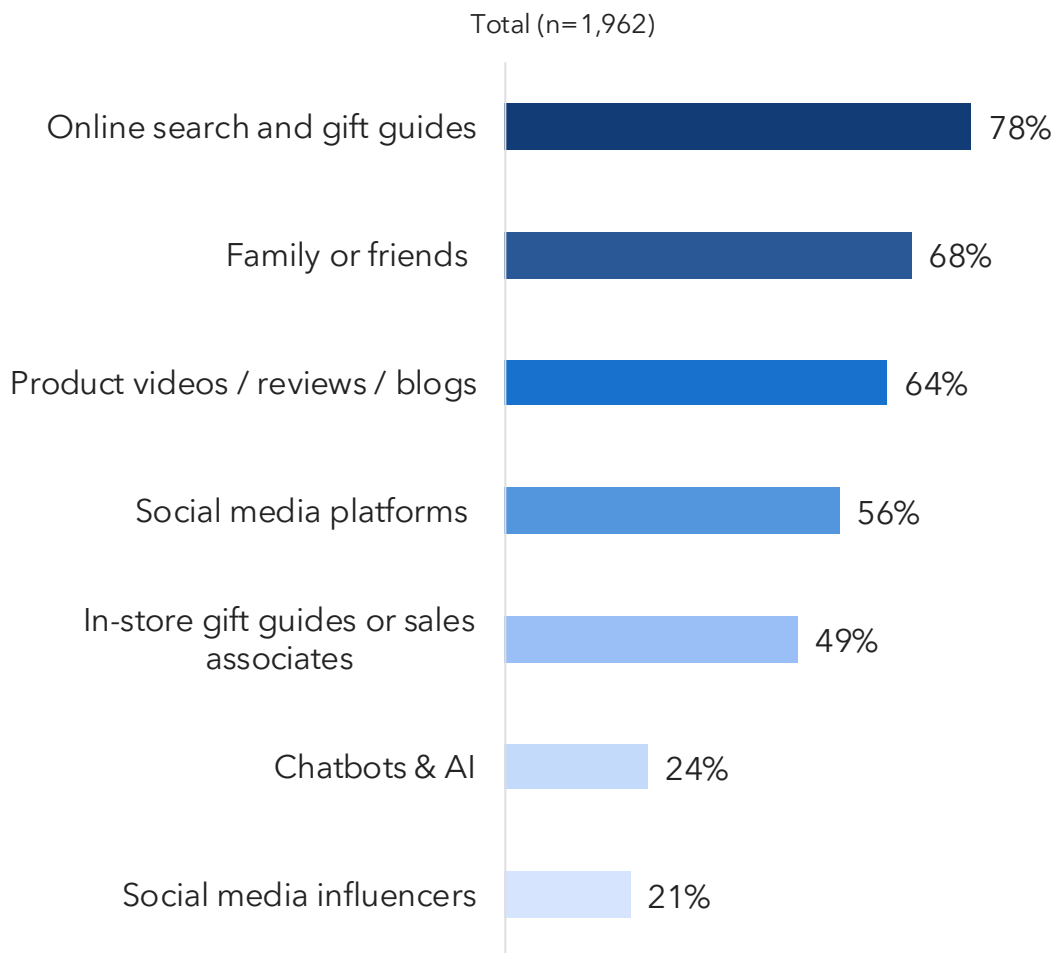
KEY FINDINGS

Online sources are driving the bulk of holiday gift inspiration, especially for younger generations.

Online sources like search and shopping guides and family or friends are the top inspiration sources overall for holiday shopping. When break it down by generation, we see a slightly different picture.

Gen Z and millennials are most likely to use social media platforms, with Gen Z especially relying on Instagram, TikTok, YouTube and Pinterest, while boomers are the least likely to leverage social media. Younger generations are also more likely to turn to AI tools for holiday shopping inspiration.

Likelihood of using various platforms for inspiration or holiday shopping across generations (somewhat likely and very likely)



Methodology

Survey respondents (total n=1,962)

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

	Number of completes (unweighted)	Sample distribution for reporting (unweighted)
Gen Z (18 to 28 yrs old)	358	18%
Millennials (29 to 44 yrs old)	549	28%
Gen X (45 to 60 yrs old)	534	27%
Boomers (61 to 77 yrs old)	521	27%

This survey was in field from July 27, 2026, to August 4, 2026.



Next steps

3 actions to take this holiday season

1

Build a unified identity-based audience strategy across every holiday touchpoint.

With an increasing number of touchpoints to consider, brands need to unify their experience across online, in-store, AI tools and social media platforms. The buyer's journey is far from linear. Brands need to invest in tools, processes and systems that help them keep up with consumers whether they're just learning about your brand or ready to click "add to cart." Make sure to take advantage of holiday advertising opportunities, since they drive more consumer action than Halloween or back-to-school ads.

2

Enrich first-party data to identify and prioritize high-value holiday shoppers.

To make your holiday marketing strategy more effective, start with a strong customer data foundation. Ensure customer records are connected, duplicate profiles are up-to-date and contact information is consolidated. A clean, accurate customer database can help you identify and prioritize high-value holiday shoppers, reduce wasted spend and enable more relevant customer experiences. (And cleanup is often a prerequisite to building a unified customer experience.)

3

Tailor holiday messaging with consumer motivations in mind.

Once your customer data foundation is in place, enrich it with consumer insights that help reveal shopping behaviors, interests and purchase motivations. Combining your customer data with third-party data can help marketers identify high-value audiences, improve targeting and activate campaigns more effectively.



Ready to put these holiday insights into action?

Work with an Epsilon expert to activate your holiday strategy.

Our team can help you:



Identify high-value holiday shoppers.



Build custom audiences aligned to your goals.



Reach consumers across channels with personalized messaging.



Turn consumer insights into measurable business outcomes.

Backed by North America's largest consumer survey platform

The findings in this report are powered by one of the industry's most comprehensive consumer research resources, helping marketers understand shopping behaviors, motivations and trends. Connect with an Epsilon expert to see if uncovering new consumer insights could help you better understand and connect with your customers.



Reach out to an Epsilon expert

Looking for more data?

From streaming services and cable to double-screening, dive into how people watch TV in 2026.



What's inside:

- Preferred channels and devices for watching TV, movies, sports and news
- How consumers feel about commercials and how ads impact the customer journey
- How much consumers spend on streaming and cable

Download your copy to learn more



Epsilon capabilities help brands market smarter.

Data & identity

Connect people, channels and outcomes at scale by activating data and identity—the essentials of modern marketing.

Customer data platform

Unify, expand and enrich your first-party data to understand people clearly and activate across channels with privacy built in.

Loyalty

Design and evolve programs backed by activation expertise to deepen engagement and drive measurable growth.

Clean room

More than an empty container—enrich first-party data, uncover deeper insight, activate with confidence and measure impact from day one.

Digital media

Gain the clarity and control to reach real people, reduce waste and drive stronger performance across every channel.

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