



Holiday Insights Unwrapped

A clear-eyed look at shopper sentiment,
spending plans, and how merchants can
navigate the season.

2025



Holiday snapshot

The 2025 holiday season is taking shape in a challenging economic environment. Shoppers are navigating rising costs, economic uncertainty, and higher personal debt – and those factors are shaping how, when, and where they'll spend.

38%

of consumers feel more financially stressed than last year

35%

are specifically anxious about holiday expenses

WHAT SHOPPERS ARE MOST WORRIED ABOUT:

Cost of living

46%

Inflation

46%

Unexpected expenses

36%

SHOPPERS ARE RESPONDING TO THESE WORRIES BY:

Shopping earlier

41%

Tightening budgets

39%

Planning purchases in advance

34%

Shoppers may be cautious, but they're not abandoning the season. Instead, they're adapting and looking for ways to preserve holiday joy while managing costs. That creates opportunities for merchants who can demonstrate value, offer flexibility, and help spread costs.

Holiday stress is up, but spending remains resilient

Against a backdrop of economic uncertainty, shoppers are feeling the pinch, but they’re not walking away from the holiday season.

Nearly 2 in 5 consumers feel more financially stressed than last year, and 35% are specifically anxious about covering holiday costs. Rising costs of living, inflation, and unexpected expenses are weighing heavily on budgets.

Yet, holiday spending plans tell a more layered story. While 39% say they’ll spend less, and 41% plan to shop earlier to manage costs, there’s also a significant segment leaning in: 25% of shoppers plan to spend \$1,000 or more this season; up from 18% in 2024. This suggests that for many, the holidays remain a priority worth planning and saving for, even in tighter times.



WHAT WE LEARNED FROM LAST YEAR:

2024 shoppers proved they could adapt — prioritizing value, leaning on sales events, and embracing flexible payment options. Those behaviors aren’t disappearing. This year, merchants who speak to both the budget-conscious and the value-seeking high spenders can capture share from both ends of the market.

When analyzing Afterpay’s 2024 holiday performance (October 1, 2024 to December 31, 2024), the BNPL platform proved resilience among both consumers and merchants, too.

\$5.1b

in holiday sales were driven by Afterpay in 2024

33%

uplift in spend was seen by Afterpay merchants during the 2024 holiday season

over

3.3m

Afterpay customers made beauty related purchases

21%

growth in fashion and apparel spend occurred during the holidays

Every

10

seconds, a home merchant received an order

At least

3

jewelry orders were placed every minute with Afterpay



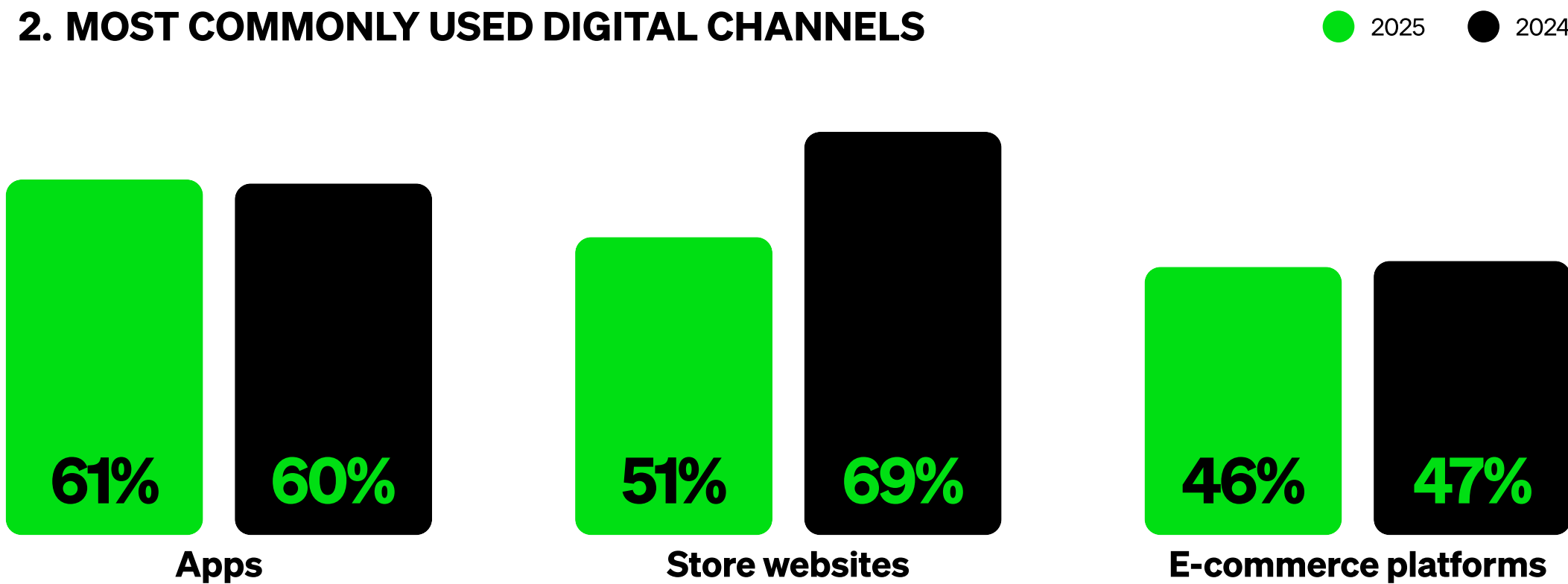
TIP: Plan campaigns with a dual-track strategy: one that reassures and supports smaller budgets, and another that inspires and attracts shoppers ready to spend more. Both groups will be active this season; the challenge is earning their trust early.

Seasonal shopping patterns & timing

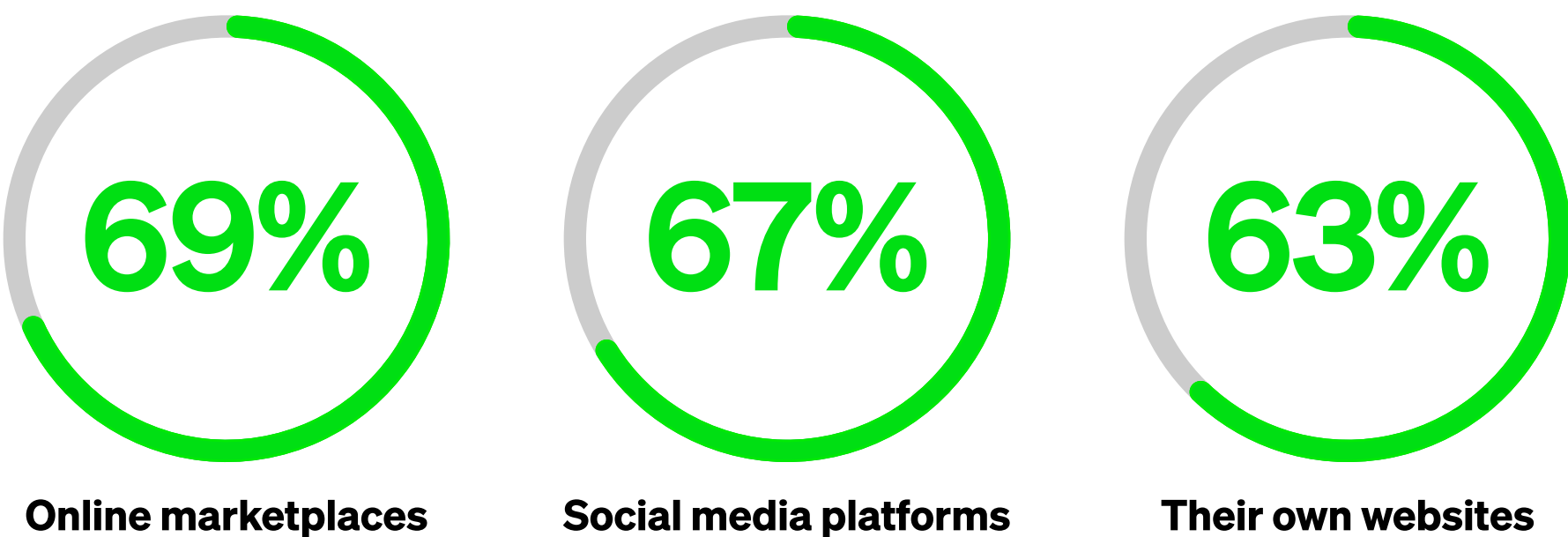
1. ONLINE VS. IN-STORE PREFERENCE



2. MOST COMMONLY USED DIGITAL CHANNELS



3. TOP ONLINE CHANNELS FOR RETAILERS



TIP: Shoppers are blending browsing and buying across channels, with mobile apps and marketplaces now key discovery channels. The Afterpay app alone sends over 1 million referrals a day to brands. To capture these high-intent shoppers, make sure your payment options – including BNPL – are prominently featured both in-store and online. Promote your offers consistently across channels, and use tools like Afterpay’s [seasonal marketing toolkit](#) to maximize reach and conversion.

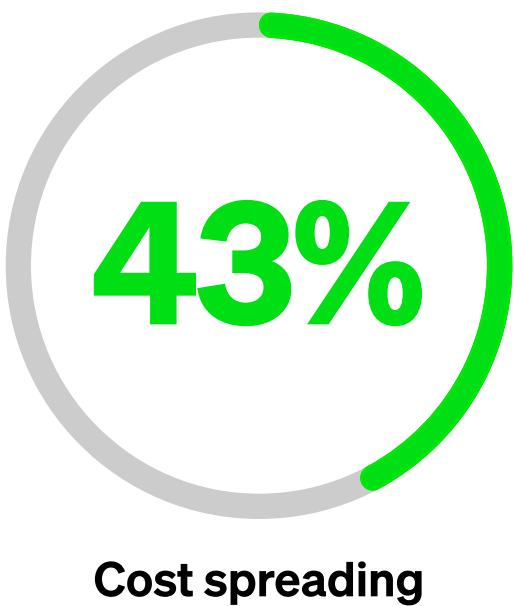
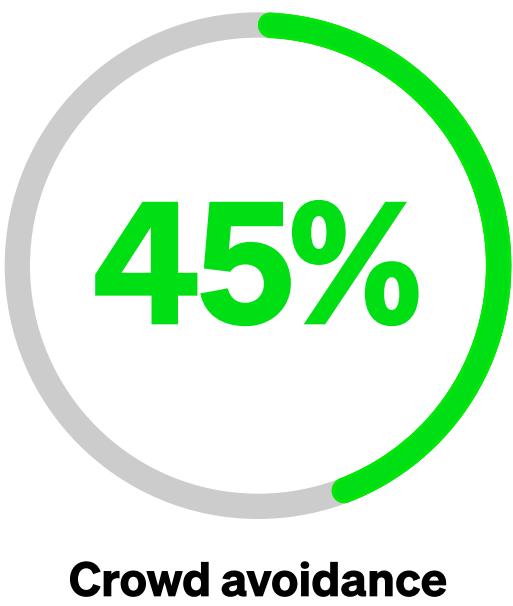
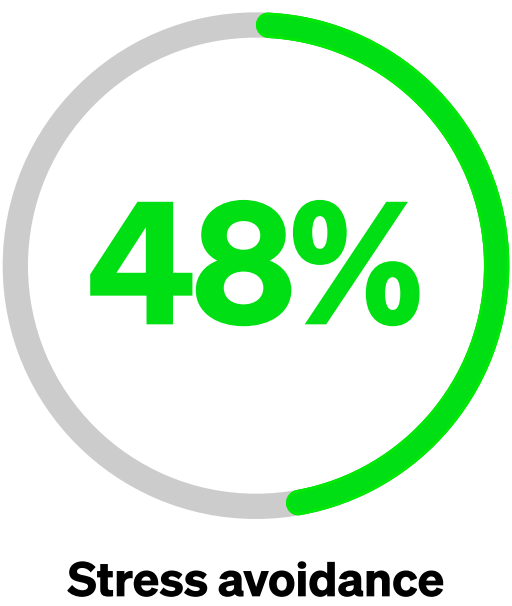


WHEN THE SPENDING WILL HAPPEN

Consistent with last year, early planners will lock in their big-ticket and high-demand items first, while deal-driven buyers will still bring a strong November–December rush. Missing either group risks leaving revenue on the table.



EARLY SHOPPERS ARE DRIVEN BY

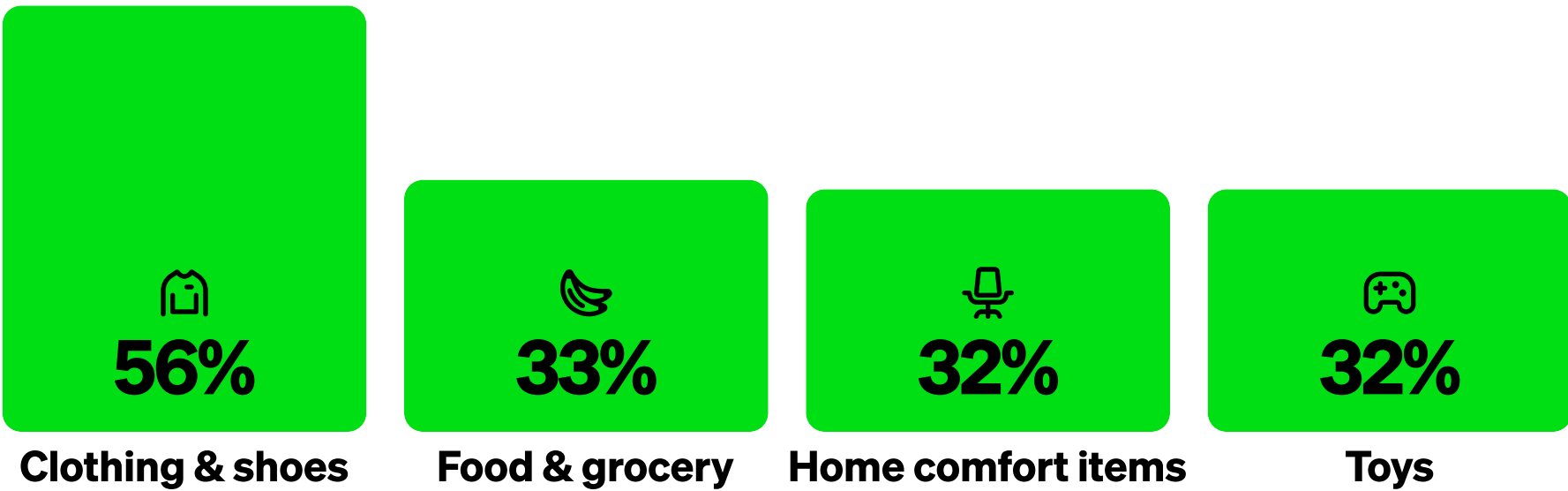


TIP: Win shoppers with a compelling offer and make sure they see it early. Promote consistently around key retail moments like Labor Day, Black Friday and Cyber Monday, as well as End of Year sales to capture both early planners and deal-driven buyers.

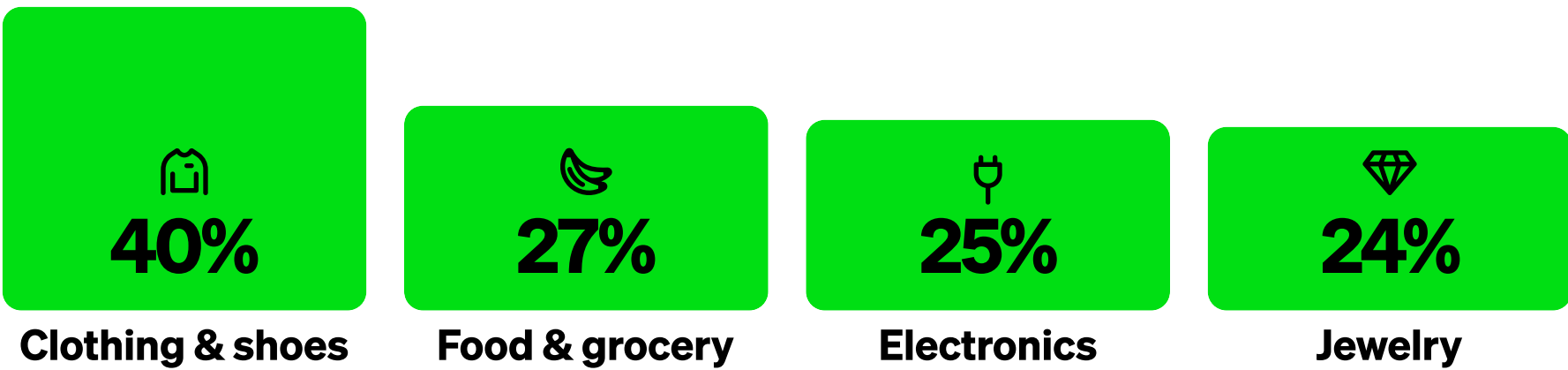
Popular gift categories

48% plan to treat themselves, alongside gifting for partners (46%) and friends (46%).

TOP CATEGORIES SHOPPERS PLAN TO GIFT OTHERS:



TOP CATEGORIES SHOPPERS HOPE TO RECEIVE:



THE DARK HORSE?

Self-care, in particular, is climbing — 71% are likely to make a self-care gift purchase, with half saying they are more likely to make such purchases this year compared to last year. Due to the greater focus on health and wellbeing (43%), having more time for self-care (38%), and a desire for uplifting or stress-relieving items (37%).

71%
are likely to make
a self-care gift
purchase

TOP SELF-CARE CATEGORIES:



TIP: Merchants in these categories can lean into the emotional value your products deliver – from comfort to confidence. Sharpen your offers with tactics like gift cards and BNPL to stay competitive, too. Last holiday season, beauty merchants (including self-care services) offering Afterpay received over 3.3 million orders, generating about 3 orders every minute when analyzed between Oct 1, 2024 to Dec 31, 2024.

Smarter strategies to manage cost pressures

Rather than stepping away from the season, shoppers are getting strategic. Cost pressures are prompting them to plan earlier, stretch their dollars further, and make thoughtful choices about what **and** who they spend on. The focus isn't just on saving; it's on making purchases feel worth it.

1. USING BNPL TO PLAN AND STAY IN CONTROL

BNPL is becoming a key tool for helping shoppers manage spend without sacrificing what's important. Almost half (44%) of financially stressed shoppers will consider using BNPL.

21%

say they're more likely to shop with a retailer that offers BNPL

20%

are more likely to complete a purchase when it's available.

88%

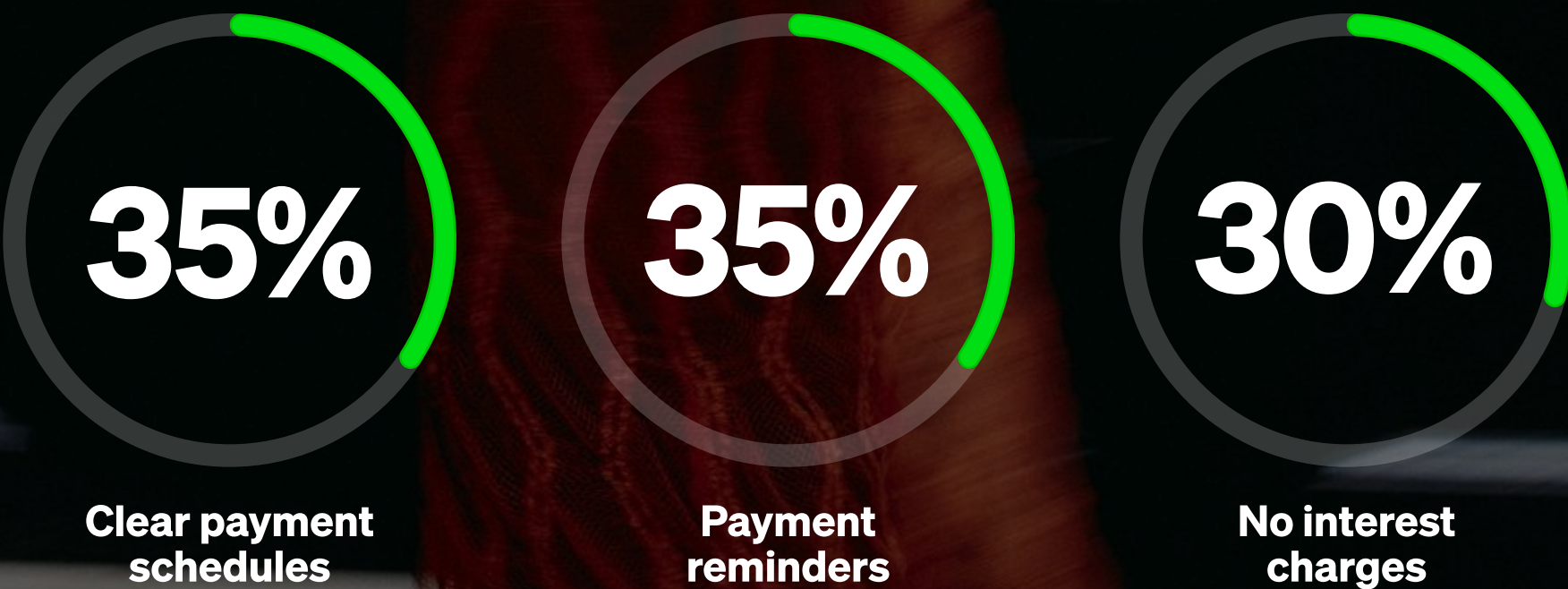
of retail BDMs who offer BNPL say it's important for their business, helping attract new customers and increase sales.

In particular, features that Afterpay users appreciate from the app include: clear payment schedules (35%), payment reminders (35%), and no interest charges (30%). While Afterpay merchant partners value the ease of integration and minimal risk - inclusive of upfront payments, chargebacks, and fraud - allowing them to focus on growing their company and attracting new customers.

TOP REASONS CONSUMERS ARE OPEN TO BNPL



FEATURES THAT AFTERPAY USERS APPRECIATE





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2. WAITING FOR DEEPER DISCOUNTS

Shoppers are willing to wait for the right price, especially on high-ticket items. This patient, strategic mindset signals a value-conscious shopper who still intends to spend, but only when the perceived value is high.

44%

are holding off on major purchases until sales events hit.

27%

More than a quarter expect discounts of 50% or more on categories like electronics and apparel.

In 2024, global Afterpay BNPL purchases grew 10% year-over-year during the Black Friday, Cyber Monday weekend as customers looked to combine flexible payments with their budgeting strategies.



3. INVESTING IN SELF-CARE GIFTING

Even in a cautious climate, shoppers are making space for personal wellbeing.

71% plan to buy self-care items this holiday season.

Nearly half (46%) say they’re more likely to do so than last year, driven by a focus on



health and wellbeing

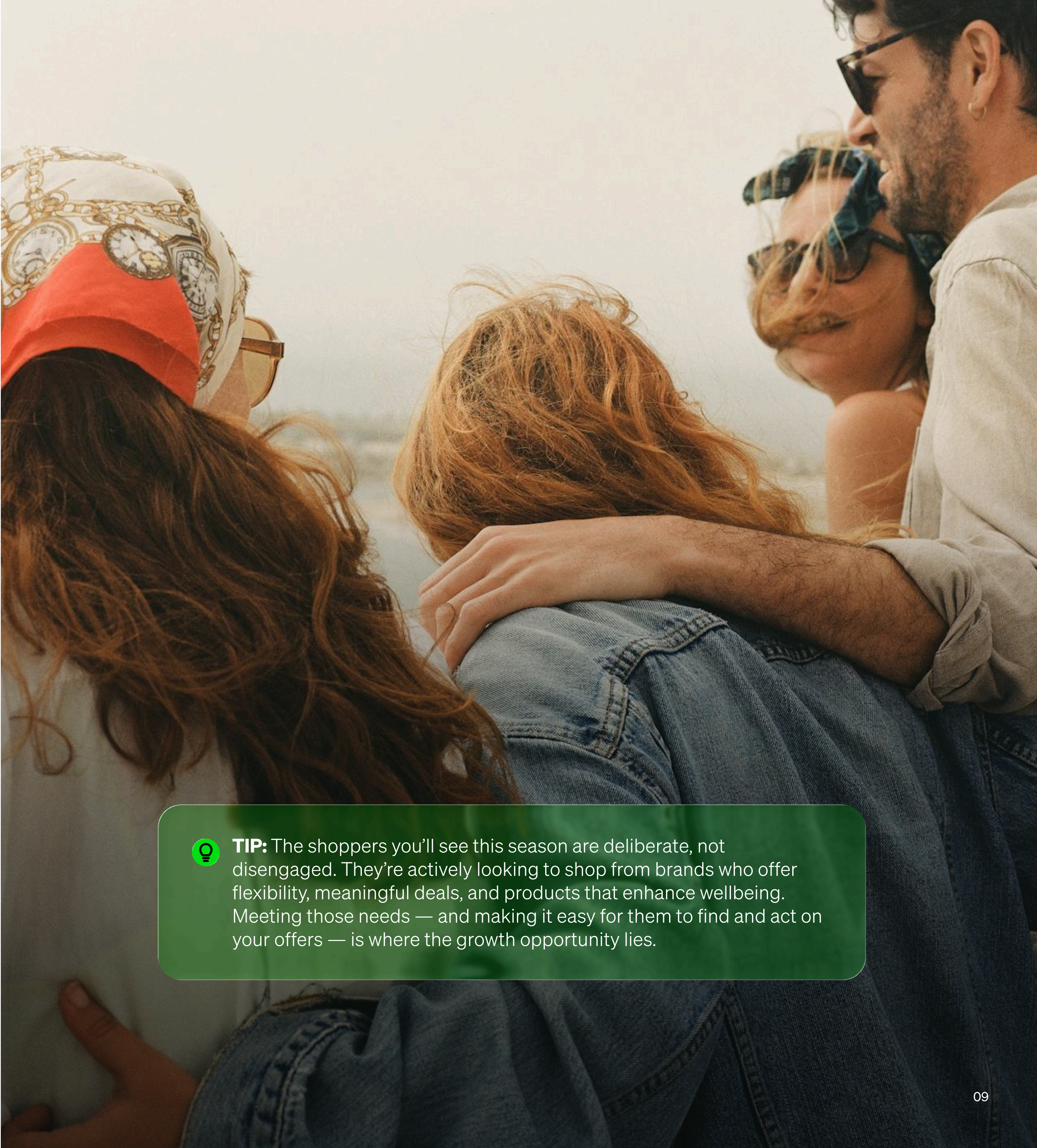


more time for self-care



a desire for uplifting or stress-relieving items

This reflects a broader shift toward purchases that deliver emotional as well as functional value.



TIP: The shoppers you’ll see this season are deliberate, not disengaged. They’re actively looking to shop from brands who offer flexibility, meaningful deals, and products that enhance wellbeing. Meeting those needs — and making it easy for them to find and act on your offers — is where the growth opportunity lies.

Learn how Afterpay can grow your sales this holiday season with our ROI calculator

[View our ROI calculator](#)

METHODOLOGY:

Morning Consult's Afterpay Global Holiday Shopping Survey (July 2025) was conducted between July 17th - 25th, 2025 among n2,200 Adults aged 18-65 and n264 Retail BDMs in the U.S. All interviews were conducted online. The margin of error was +/- 2% for Adults, +/- 6% for Retail BDMs, and varied among subgroups. All subgroups highlighted in reporting have a base N size of 100 or more unless otherwise stated.