

Retail Reboot: How to Win the Holidays in a Changed World

Ankura 2025 Holiday Playbook



Executive Summary

It's Looking Like 2023 All Over Again

The 2025 holiday shopping season has already begun to unfold (45% shoppers say they have already shopped other deal events, e.g., Amazon Prime Day) against a backdrop of complex and challenging economic currents that feel remarkably like the sentiment-driven downturns of 2023.

Ankura's 2025 holiday consumer survey reveals a U.S. consumer base with a markedly more pessimistic economic outlook than last year as we enter the prime holiday season. However, survey respondents in 2025 reveal a greater willingness to adapt their shopping behaviors in response to financial pressures.

While this echoes the historic lows in consumer sentiment from 2023, a new set of economic undercurrents amplifies the pressure: a cooling housing market and high interest rates, rising unemployment, record-high household debt, and persistent inflation.

Economic uncertainties in the U.S. are at play in 2025, adding financial stress for consumers as they try to deal with persistent inflation.

To make matters worse for retailers, Black Friday's traditional dominance is waning, a trend accelerated by retailers' season-long promotions and the rise of new shopping holidays.

At the same time, consumers are becoming more sophisticated, leveraging technology, and seeking out highly personalized deals and seamless omnichannel experiences.

Our report and "playbook" tap into the critical findings from our 2025 consumer survey and provide a strategic roadmap for retailers to win the holiday season. Retailers that embrace the current reality—by optimizing their promotional strategies, refining their digital engagement, creating an exciting in-store shopping experience, and personalizing the customer journey—will be best positioned to capture market share and foster long-term loyalty.

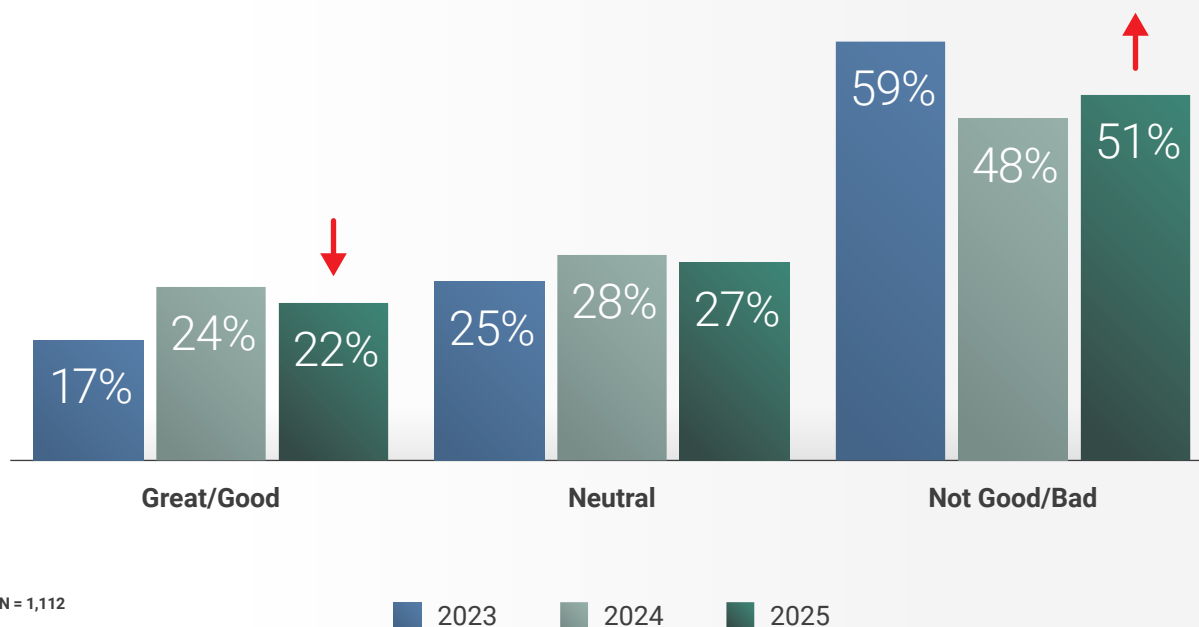
The Worsening Economic Climate

The Core Challenge for Retailers in 2025

Our survey of 1,000+ consumers found a noticeable increase in negative sentiment about the U.S. economy, with a 3%+ increase in the number of consumers who believe that the economy is “Not Good/Bad”.



How do you feel about the U.S. economy right now?



Increasing Consumer Pessimism for Future

This pessimism extends to future expectations. Nearly 50% of respondents expect the U.S. economy to get worse over the next 12 months, a significant increase from last year and identical to 2023. This is in stark contrast to the 31% (down 6% from 2024) who expect the economy to improve. This pessimistic outlook is shared generally by shoppers of all ages.

50%

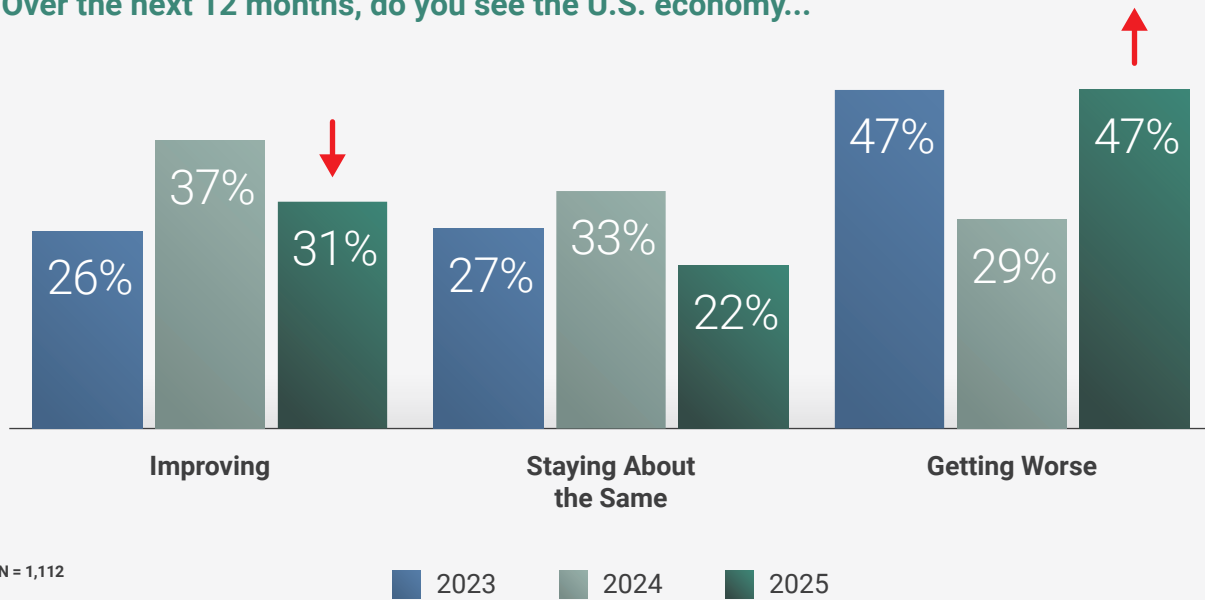
of respondents expect
the U.S. economy to get worse
over the next 12 months

31%

expect the economy to improve
(down 6% from 2024)



Over the next 12 months, do you see the U.S. economy...



47% of respondents expect the U.S. economy to get worse over the next 12 months



Personal Financial Concerns on the Rise

The negative macroeconomic sentiment is translating into personal financial concerns. The survey revealed a higher percentage of people who feel their family's economic situation is worse compared to 2024. Expectations for the year ahead are also sobering, with 26% of respondents anticipating their financial situation will worsen, up from 19% last year and +1% above 2023.

This financial anxiety is the driving force behind a sizable number of consumers skipping holiday spending altogether. Among those who plan to opt out of holiday shopping, inflation is the primary reason.

Despite this, overall holiday spending is projected to remain relatively flat, with self-reported average spending

on holiday gifts in 2024 at approximately \$595. There is a clear divide in how consumers plan to fund holiday purchases: one-third of all respondents plan to cut back on other spending to afford their holiday gifts. The most often cited area for these cutbacks is dining out, cited by 74% of those planning to reduce their spending. This trend underscores the critical need for retailers and restaurants to demonstrate clear value to consumers operating within a constrained budget.

74%

most often cited area for cutbacks to afford holiday spending is dining out



Despite the general pessimism about the U.S. economy, overall holiday spending is projected to remain relatively flat

The Evolving Shopper Journey

The way consumers shop for the holidays continues to transform, with changes to traditional holiday shopping days, rise in generational usage of "Buy Now, Pay Later" (BNPL), and a need for seamless omnichannel fulfillment. Retailers must understand these shifts to effectively engage shoppers.

THE DECLINE OF BLACK FRIDAY

The survey confirms a continued decline in the importance of Black Friday - 52% of respondents stated that Black Friday is "not important" to them.

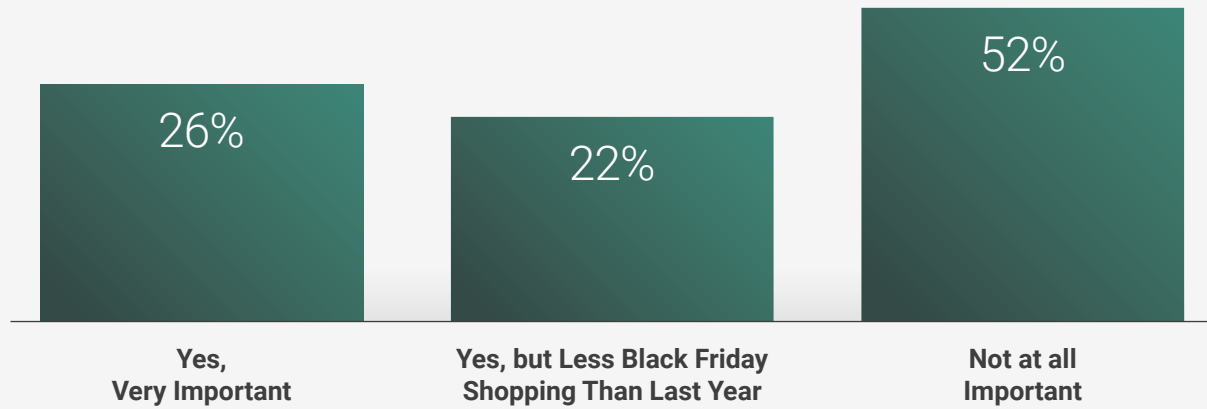
The reasons for this are clear: the rise in season-long deals and a perceived lack of compelling offers on Black Friday itself, with 85% of respondents citing discounts of at least 30% as table stakes. For Black Friday to be meaningful, over 50% want to see price cuts over 30%, and nearly 20% expect price cuts to be even higher – retailers will have to go big to be important.

85%

of shoppers expect significant discounts—at least 30 %—on Black Friday



Is Black Friday Weekend (Thanksgiving-Cyber Monday) Shopping Important to You?



N = 910

Perceived lack of compelling offers on Black Friday... However, "50% off sales" and the return of traditional "Door Busters" are cited as potential levers to get shoppers back inside the store

THE RISE OF "BUY NOW, PAY LATER" (BNPL)

The use of BNPL services is projected to remain unchanged for half of consumers. However, there is a notable divergence by age group. Younger shoppers, particularly Gen Z and Millennials, are significantly more likely to increase their use of BNPL services. This trend suggests that BNPL is becoming a standard financial tool for younger generations to manage holiday spending, and retailers should ensure these options are seamlessly integrated into their checkout processes.

ONLINE AND OMNICHANNEL DOMINANCE

Online shopping is expected to increase compared to last year, with most shoppers (87%) using a computer and/or a phone for at least some of their holiday purchases. This underscores the importance of a robust, mobile-friendly e-commerce presence.

Top destinations for product search and discovery continue to be Amazon, Google, and retailer websites. This digital-first approach means that when consumers do visit a physical store, they are often armed with a wealth of product specifications and pricing data. This trend underscores the critical need for an integrated omnichannel strategy that seamlessly guides consumers from their initial research to the final purchase, no matter the channel.

20%

**of online shoppers will increase
their online shopping activity**



Key Survey Findings and Strategic Retailer Responses

1 FINDING

Consumer sentiment has reverted to 2023 levels, with pessimism particularly high among lower-income shoppers and non-shoppers, who cite inflation as the primary reason for skipping holiday spending.

STRATEGIC RESPONSE

Retailers must proactively address inflation and consumer anxiety. This can be done by leading with strong value propositions, highlighting the durability and long-term utility of products, and offering flexible payment options like (BNPL) to ease financial pressure. Clear communication about value and price matching can help build trust and capture cautious consumers.

2 FINDING

One-third of consumers plan to cut back on other spending to fund holiday purchases.

STRATEGIC RESPONSE

Focus on providing compelling reasons for consumers to direct their discretionary spending toward your brand. This means offering highly attractive deals and creating a sense of urgency through flash sales and "doorbuster" events. Retailers can also leverage "Buy More, Save More" tiers to encourage shoppers to consolidate their spending and increase their average order value.

The 2025 holiday consumer survey by Ankura unearths several critical findings that underscore the difficult retail landscape and the evolving mindset of the modern shopper.

This section summarizes those key findings and provides actionable strategic responses for retailers.





3 FINDING

Student loan debt impacts holiday spending for 40% of borrowers, disproportionately affecting younger and lower-income shoppers who cited student loan debt as curtailing their ability to spend this holiday.

STRATEGIC RESPONSE

Acknowledge the financial burden on younger consumers – emphasize value and affordability in marketing messages. Promotions tailored to this demographic, e.g., exclusive deals on entry-level products or bundles, can be effective. Providing seamless BNPL integration is crucial, as younger shoppers are most likely to use these services to manage their spending.

4 FINDING

Black Friday's importance continues to decline, with over 50% of shoppers saying it is not important to them. However, shoppers unmoved by discounts at 30% or lower can be moved to shop in-store if retailers offer discounts at or greater than 50% with “Door Buster” offers that harken back to prior years when Black Friday was an event not to be missed.

STRATEGIC RESPONSE

Shift from a single Black Friday focus to a season-long promotion strategy. Launch deals earlier and maintain a baseline discount of at least 30%. This approach meets consumer demand for deep price cuts, driving sustained online and in-store traffic throughout the entire holiday season.

5 FINDING

Promotions and loyalty programs are more influential than last year, especially for younger shoppers and families struggling with inflation.

STRATEGIC RESPONSE

Invest in and highlight your loyalty programs. Offer exclusive, members-only promotions and first access to sales to reward your most valuable customers. Use personalized data to send custom offers and recommendations, which directly address the consumer's desire for relevant deals and helps build long-term brand loyalty.

6 FINDING

Almost all shoppers (91%) say AI will influence their holiday shopping, with a significant impact reported by younger shoppers.

STRATEGIC RESPONSE

Embrace and leverage AI to enhance the shopping experience. For retailers, AI can work as a tool to reduce fulfillment costs and provide a unique customer journey with personalized product recommendations on your website, AI-powered chatbots for customer service and using data to forecast trends and optimize inventory. For younger shoppers, who are more open to AI, explore interactive AI tools or augmented reality features that allow them to visualize products.



7 FINDING

Gift cards are a top category for holiday purchases, but roughly 35% are "open loop", meaning they can be used anywhere, not just at the retailer where they were bought. This limits direct benefit to the brand, unlike "closed loop" cards which are store specific.

STRATEGIC RESPONSE

Actively promote your own branded gift cards, emphasizing the convenience and value they offer. Create incentives for purchasing "closed loop" gift cards, such as bonus rewards for the buyer or recipient. Highlight how gift cards can be used as a simple and effective way to manage holiday spending.

8 FINDING

The dominance of Amazon, Walmart, and Target continues, with Amazon's share of mentions growing, and Target's mentions falling 5% year-over-year.

STRATEGIC RESPONSE

Focus on a seamless, unified omnichannel experience that guides customers from discovery to purchase across all channels. While acknowledging the major players, smaller retailers can differentiate themselves by focusing on unique product curation, superior customer service, and engaging in-store experiences that cannot be replicated online. For larger retailers, the data suggest a need to refine their digital strategies to compete with Amazon's online dominance, especially among older demographics.

9 FINDING

The majority of shoppers planning cutbacks will do so by dining out less; among shoppers planning to cut back, 74% say they will facilitate their holiday spending by cutting back on dining out.

STRATEGIC RESPONSE

Both mall-based retailers and restaurants must adapt. Restaurants can offer value-driven fixed-price menus and family meal deals to entice diners. Mall retailers should partner with on-site eateries to create exclusive "shop and dine" packages, offering bundled discounts that make both experiences feel like a worthwhile treat rather than a luxury to be cut.

10 FINDING

Non-shoppers are markedly more pessimistic about the economy, citing inflation and food prices as the primary reasons for skipping holiday spending.

STRATEGIC RESPONSE

Recognizing that financially strapped consumers may not change their holiday plans, retailers must at minimum focus on building a relationship now for 2026. By addressing inflation anxieties with ongoing value, practical solutions, and year-round loyalty programs, retailers can cultivate trust. This proactive engagement can position the brand as a long-term financial ally, ensuring it captures future spending from this critical consumer segment.

Conclusion

The 2025 holiday season presents a critical test for retailers. Our survey reveals a landscape shaped by cautious, value-driven, and tech-savvy consumers adapting to a challenging economic environment. The traditional shopping journey is also evolving, with the influence of Black Friday giving way to a more fluid, season-long pursuit of deals and seamless omnichannel engagement.

To navigate these shifts and turn a pessimistic mood into a profitable season, retailers must move beyond traditional strategies and embrace a new level of agility. The key to success lies in a strategic playbook focused on three core pillars:

1

Value

By prioritizing clear and compelling value, retailers can resonate with consumers who are more discerning than ever about their spending

2

Personalization

Understanding and catering to evolving consumer needs through personalized experiences will build a stronger connection

3

Seamless Omnichannel Experience

Meeting consumers where they are—whether online or in-store—with a unified and compelling journey will be essential to converting buyers

By embracing this challenge and executing a strategic plan that addresses the current business reality, retailers can not only survive but thrive, building a foundation for long-term growth and success.



Our Experts



Keith Jelinek

Senior Managing Director
keith.jelinek@ankura.com



Rick Maicki

Senior Managing Director
rick.maicki@ankura.com



Joe Ghesquiere

Senior Managing Director
joe.ghesquiere@ankura.com



Chris Ventry

Managing Director
chris.ventry@ankura.com



Michael Casey

Managing Director
mike.casey@ankura.com



David Tait

Managing Director
david.tait@ankura.com

ANKURA PERFORMANCE IMPROVEMENT

Delivering End-to-End Solutions to Companies at Critical Inflection Points

The Performance Improvement team partners with private equity, lenders, and management to drive rapid EBITDA and cash flow improvement. Using our 3D (Diagnose, Define, Deliver) framework, we assess opportunities, develop sustainable goals and operating plans, and implement solutions. Our expertise spans diverse industries, including Retail, Direct-to-Consumer, Healthcare, CPG, Services, Education, Manufacturing, and Logistics. Our experienced operators and consultants address strategic and operational challenges, delivering data-driven, transformative results quickly and efficiently.

Ankura Consulting Group, LLC is an independent global expert services and advisory firm that delivers services and end-to-end solutions to help clients at critical inflection points related to conflict, crisis, performance, risk, strategy, and transformation. The Ankura team consists of more than 2,000 professionals serving 3,000+ clients across 115 countries who are leaders in their respective fields and areas of expertise. Collaborative lateral thinking, hard-earned experience, expertise, and multidisciplinary capabilities drive results, and Ankura is unrivaled in its ability to assist clients to Protect, Create and Recover Value.

For more information, please visit, www.ankura.com.