



2025 Holiday Season E-Commerce Trends

A data report from FedEx highlighting the important trends of the upcoming holiday season.



Prepared by
c space

Methodology: E-Commerce Trends to Watch in the 2025 Holiday Season



Methodology

Our objective with this report was to capture data from FedEx customers related to e-commerce trends that may influence consumers during the 2025 holiday season. This includes generational insights, the potential impact of the global trade environment, and year-over-year changes in demand.

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FedEx worked with C Space to survey FedEx consumers, small and medium businesses, and large businesses outside of our network.

The proprietary insights captured from customers on expected trends for the upcoming holiday season are highlighted in this report.

For more information about how FedEx can support your business during peak season and all year, **[visit our Small Business Resources Center.](#)**



Key Takeaways for the 2025 Holiday Season

Click on a topic below to jump to the insights!

1

Holiday Season Plans and Expectations

There is a clear divide in expectations between merchants and consumers for the 2025 holiday season. Large businesses are optimistic about increased online sales driven by digital shopping trends, whereas consumers plan to maintain or reduce spending due to inflationary pressures, emphasizing the importance of Cyber Week promotions.

2

Online Shopping, Shipping, and Returns

AI and personalization are at the forefront for large businesses, aiming to enhance customer experiences. Despite concerns over porch piracy and supply chain issues, consumers prioritize free shipping, flexible return policies, and planning ahead to avoid expedited shipping fees. Gen Z and millennials are more willing to explore diverse shopping platforms and utilize AI tools.

3

Dynamic Trade Environment

The trade environment always shapes business strategies, with large businesses planning more promotions to attract customers despite higher prices, while small businesses face challenges in maintaining profitability. Consumers are generally aware of the evolving trade environment, with Baby Boomers being the most informed, yet spending intentions remain largely unchanged from previous years.

4

Sustainability Insights

While sustainable shipping practices are important to consumers, they are not a top priority when shopping online this holiday season. Still, a significant portion of merchants, especially larger ones, are adopting eco-friendly measures such as paperless documentation and recyclable packaging to meet growing consumer expectations for sustainability.



Holiday Season Plans and Expectations

There is a disconnect in expectations this holiday season **as merchants, especially large businesses, expect increased online sales**, while **consumers plan to shop online the same amount as last year and spend the same or less**.

48%



Merchants expect increased online holiday sales this season

82% Large vs. 26% Small and 36% Medium

Large businesses anticipate **growth** in online sales driven by rising digital shopping behavior and its convenience, while small and medium businesses remain more **cautious**, expecting sales to stay flat or even decline, due to current economic challenges and the potential negative impact of a dynamic trade environment.

*“Tariffs have increased our prices significantly even on US sourced items. **We’ve already seen demand drop.**”*
– Medium Business

62%



Consumers expect to shop online the same amount as last holiday season

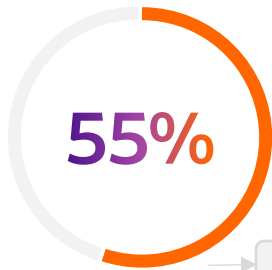
72% of consumers report **inflation** will have the biggest impact on their spending this holiday season.



Millennials and Gen Z expect to save up for bigger-ticket purchases and spend more on experiences than physical gifts this year.

Holiday Season Plans and Expectations

Cyber Week will prove crucial this holiday season, with **72% of consumers likely to shop online during this time** and over half claiming they will begin their online holiday shopping in November.



Merchants Plan Promotions for Cyber Week

More than half of merchants, especially large businesses, are preparing promotions for Cyber Week 2025 including **free shipping over a certain amount (45%)**, **free expedited shipping (25%)**, and **extended return periods (21%)**.

Large businesses show greater willingness to offer a wide range of promotions.

90% Large vs. 36% Small and 38% Medium

Key Promotional Channels:



70% Website



66% Email



62% Social Media

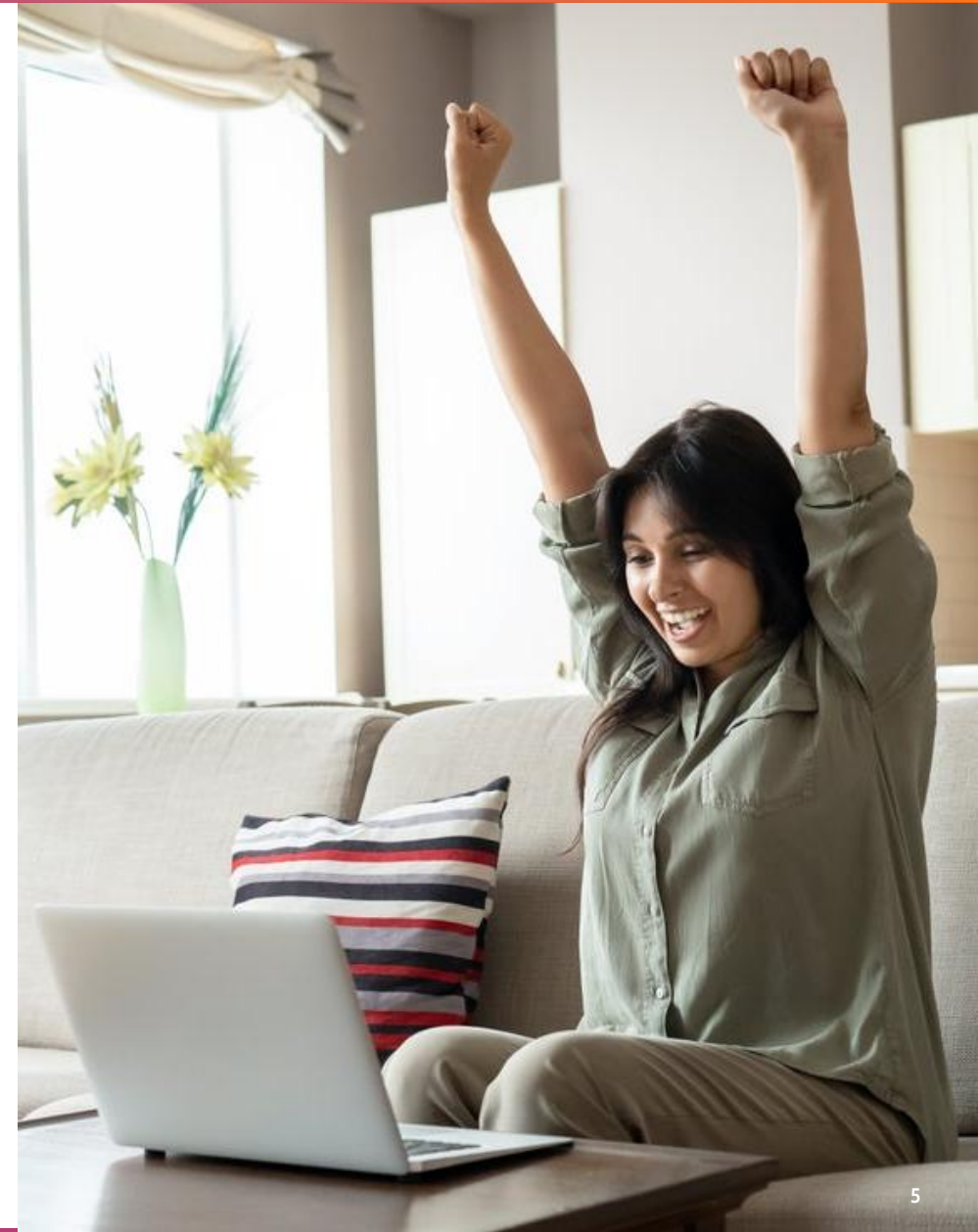
Most merchants aim to launch their promotions in October–Mid-November, though some large businesses have already started in September.

Consumer Expectations:

Consumer expectations align with merchant preparations, with the most attractive promotions being **free shipping regardless of cart amount (79%)**, **free expedited shipping (45%)**, and **extended return periods (42%)**.

As they shop for gifts online this year, consumers' top three considerations are:

- ✓ Shipping costs **(82%)**
- ✓ Sales/promotional offers **(74%)**
- ✓ Return policies **(54%)**



Online Shopping Experience, Shipping, and Returns

Merchants seek to personalize the shopping experience this year by using **past customer behavior to make recommendations**.

Large businesses are placing a more significant focus on offering personalization than small and medium businesses.

50%

Using past purchases to recommend certain items

80% Large vs. 34% Small and 35% Medium

47%

Using browsing experience to recommend certain items

78% Large vs. 24% Small and 36% Medium

Nearly all large businesses (97%) plan to use AI in some way this holiday season, while **75% of small and 50% of medium businesses say they have no plans** to use AI this holiday season.

Large businesses most expect to incorporate AI tools to help with:



Customer service (e.g., AI chatbots)



Advertising and/or audience targeting



Inventory management



Pricing or promotion optimization

Small and medium businesses would most consider AI tools to help with advertising.

On average, Gen Z and millennials plan to engage more platforms for holiday purchases than Gen X and baby boomers.

Gen Z and Millennials are likely to engage TikTok Shop, Facebook Marketplace, and Instagram for online shopping.



When shopping specific brands, most expect to purchase via the brand's mobile or desktop website (62%); **About one-quarter (26%) plan to shop via marketplaces.**

Promotions and discounts will be key drivers in decision-making, important to 78% of consumers this holiday season.

Although past use is limited, **four in ten consumers plan to use AI this holiday season**, primarily to:



Find the best prices/deals



Get gift ideas/inspiration



Compare product features/options



Research brands/product reviews

Millennials and Gen Z are more likely to use AI for creating shopping checklists and budgeting tools, while Baby Boomers are more resistant, 75% claiming they have not and will not use AI this holiday season.

Online Shopping Experience, Shipping, and Returns

During the holidays, **60% of consumers consider 4-7 days a reasonable wait time for standard deliveries**, while three in ten prefer to wait only 1-3 days. **Gen Z are more willing to wait even longer (up to 8-10 days) around the holiday season.**

Given their willingness to wait during the holidays, **fewer than two in ten are likely to pay for expedited shipping (16%)** this holiday season.



Those likely to pay prefer to **save time when last-minute shopping** and **ensure that gifts arrive before the holidays**, while those unlikely to pay start **preparing in advance** and are **unwilling to pay** more than they need.

Gen Z and millennials are slightly more likely to pay for expedited shipping than Gen X and baby boomers.

*"The holidays are coming, and **everyone is expecting to have their packages on time.**"*

– Gen Z Consumer

*"The **cost** is too high."*

– Baby Boomer

48%

Consumers Worried About Porch Piracy

Nearly half of consumers are at least somewhat worried about porch piracy, or packages being stolen after delivery this holiday season, though **merchants can offer the following services to alleviate these concerns:**



Near real-time tracking



Text tracking or delay notifications



Temporary package holds



Email tracking or delay notifications

For Baby Boomers, estimated delivery windows may also alleviate concerns.

52%

Consumers Concerned with Supply Chain and Stock Shortages

Heading into the holiday season, just over half of consumers are at least somewhat concerned about supply chain and stock shortages. **Concern is driven more by Gen Z and millennials than baby boomers and Gen X.**

Online Shopping Experience, Shipping, and Returns



More than half (54%) of consumers rank return policy as a top three consideration when shopping for gifts online, and about **two-thirds (65%) expect free returns** from online retailers during the holiday season.

That said, **nearly four in ten (37%) do not expect to make any returns this holiday season**. Those that will expect returns to take place in December and January, to get them done right after the holidays, but after the chaos of gatherings has ended.



Current merchant return policies are polarizing, with **36% offering free returns or exchanges within 30 days**, and **26% not offering any free returns or exchanges**.

The difference is driven primarily by business size, as **84% of large businesses offer free returns or exchanges up to two months**, and **37% and 39% of small and medium businesses respectively do not offer free returns or exchanges**.

Less than one in ten have modified their return policies in the last 12 months, and those that have are primarily **large businesses**. Among them, **the primary adjustment has been to extend or be more transparent with returns, leading to an increase in sales for more than two-thirds**.

Global Trade Environment

Business decisions have been impacted by global trade uncertainty for **eight in ten merchants**; this holiday season most anticipate:



Increased prices passed on to customers



Seeking alternative suppliers or materials



Reducing profit margins temporarily



Absorbing the global trade environment costs internally

64% of large businesses plan to clearly communicate related changes to global trade, while **small and medium businesses are more likely to either not communicate related information or absorb the costs.**

56%

LARGE businesses will offer MORE promotions and discounts during Cyber Week 2025

vs. 4% Small and 5% Medium

Large businesses plan to offer **more promotions and discounts** to:

- ✓ Attract customers despite higher prices
- ✓ Maintain competitive edge
- ✓ Offset increased costs and sustain sales

33%

SMALL businesses will offer LESS promotions and discounts during Cyber Week 2025

vs. 21% Medium and 9% Large

Small businesses plan to offer **less promotions and discounts** because:

- ✗ Increased costs have reduced margins
- ✗ Difficult to provide customer incentives while maintaining profitability

Consumer Sentiment

Nearly two-thirds of consumers (74%) consider themselves well-informed about the current global trade environment and the potential impact of costs being passed onto them this holiday season. Despite this, about half expect to spend the same amount this holiday season as compared to last year.

Baby boomers consider themselves the most informed about the global trade environment (88%), while nearly half of Gen Z (44%) feel they don't know anything at all.

Consumers feel:

- Link an evolving global trade environment directly to increased consumer prices
- That a dynamic global trade environment will have a bigger impact on domestic consumers than international countries
- And that they stay informed on the global trade environment updates via news, politics, education, and professional experience



Sustainability Insights

Sustainable practices are in place or planned by quite a few merchants for this holiday season, and **one-quarter (24%)** expect the same from shipping carriers.

■ Currently in place ■ Plan to implement

40% Large vs. 19% Small and 13% Medium

67% Paperless documentation

49% 18%

66% Eco-friendly packaging

49% 17%

54% Recyclable materials for returns

39% 15%

Merchants expect carriers to



Offer sustainable packaging



Deliver via electric or hybrid vehicles



Optimize routes and reduce trips



Nearly **seven in ten consumers** find it at least somewhat important for the brands they shop online to employ sustainable shipping practices.

However, **fewer than one in ten ranked sustainable shipping as one of their top three considerations** when shopping for gifts online.



Thank you.

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