2026 holiday season: E-commerce trends for SMBs

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

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Key takeaways for the 2026 holiday shopping season

Click on a topic below to jump to the insights!

1

Peak season plans & expectations

More merchants expect online holiday sales to grow in 2026 than did in 2025, and large businesses are the most bullish. They are counting on promotions to drive growth and worry most about a consumer spending slowdown and rising shipping costs.

2

Last-minute gifting & holiday procrastination

Merchants stop guaranteeing Christmas delivery about a week before Dec 24, yet most believe their customers think they can order later. They expect the last-minute rush to peak in the third week of December, and late shoppers often pay extra for expedited shipping.

3

AI & holiday shopping

Most merchants plan to use AI this season, but few feel ready, and large businesses are far ahead of small ones. Merchants expect AI to shape how shoppers compare prices, but many would never trust it with customer disputes.

4

Affordability & value

Merchants expect more price-sensitive shoppers, especially among small businesses, and plan free or discounted shipping to compete.



Peak season plans and expectations

55% of merchants expect higher online holiday sales, up from 48% last year, led by 87% of large businesses vs. 37% of small and 42% of medium.

In 2026…

55%

Merchants expect increased online holiday sales this season

87% Large vs. 37% Small and 42% Medium

Compared to 2025…

48%

Merchants expected increased online holiday sales compared to 2024

In 2026…

46%

Promotions start early

Just under half of merchants start their initial holiday promotions between **October and November, before Thanksgiving**. As of late September, several have already started their holiday promotions.

59% Large vs. 43% Small and 37% Medium

Compared to 2025…

58%

Promotions started earlier

Over half of merchants started their initial holiday promotions between **October and November, before Thanksgiving**. This was especially prevalent amongst large shippers.

Peak season plans and expectations

68% of merchants expect promotions and discounts to drive holiday sales growth, while their top concerns are consumer spend slowdown (23%) and shipping costs (21%).

Biggest concerns heading into the 2026 Holiday Season:

23% Consumer spend slowdown

Main concern for medium businesses

21% Shipping costs

Main concern for small and large businesses

13% Supply chain disruptions

9% Delivery performance

8% Tariffs

How merchants think consumers' shopping behaviors will change this year:

24%
Consumers will seek more deals, discounts and promotions

15%
Consumers will prioritize free/ low-cost shipping

14%
Consumers will choose lower-priced gifts

Expected holiday sales growth drivers:

68%

Promotions, discounts and special offers

29%
Of Merchants, especially medium, think **deal hunting/ waiting for promotions** will have the greatest impact on holiday shopping this year

Last-minute gifting and holiday procrastination

Merchants see timing as customers' biggest gifting mistake: their own cutoff is Dec 18, 72% think customers assume a later one, and 45% expect last-minute chaos to peak Dec 15-21.

Median latest order date for Dec 24 delivery:

	Merchant cutoff	Assumed customer belief	Gap
Overall	Dec 18	Dec 21	+3 days
Large	Dec 18	Dec 20	+2 days
Medium	Dec 17	Dec 22	+5 days
Small	Dec 16	Dec 21	+5 days

45%

Anticipate last-minute shopping chaos will peak the third week of December (Dec 15-21)

47% Large vs. 42% Small and 46% Medium

However, 53% anticipate no changes to last-minute shopping behavior from their customers.



According to merchants, consumers' biggest holiday gifting mistakes are...

- Waiting to order until the last minute
- Underestimating shipping times and delays
- Ignoring cutoff dates and processing times
- Address input errors and skipping expedited shipping



Last-minute gifting & holiday procrastination

Merchants say customers' top mistake is ordering too late (28%); 39% end up paying for expedited shipping, and 45% expect a refund request when a Dec 24 order arrives late.

Most common consumer misconception about holiday delivery timing:

28%

Believe they can order later than they actually can

Large 25% · Medium 28% · Small 30%

26% say consumers underestimate peak shipping demand

Most common extra cost incurred by customers who wait too long:

39%

Expedited shipping

Large 32% · Medium 43% · Small 42%

33% say customers miss the desired delivery date

Likely customer response if a Dec. 24 order arrives late:

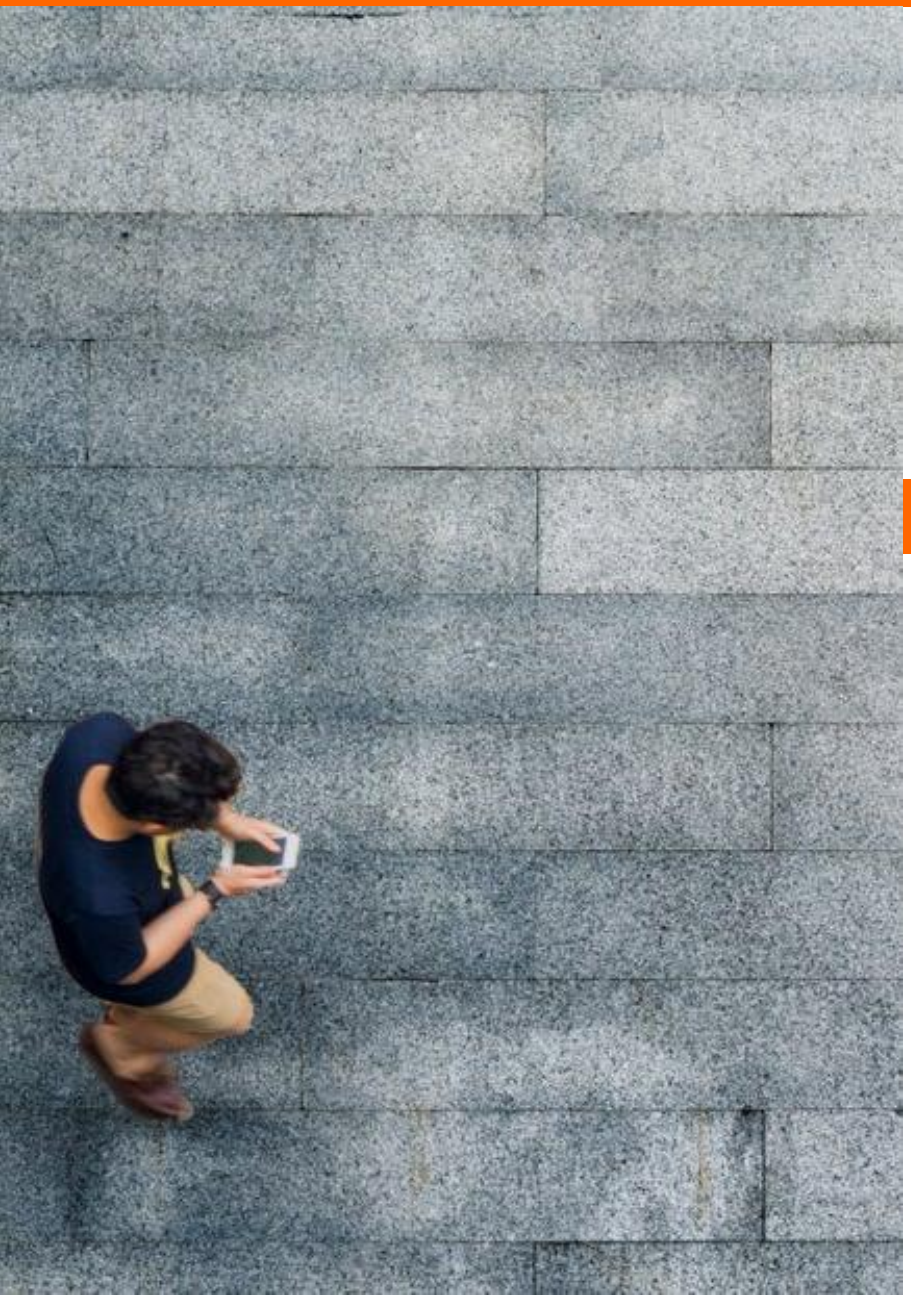
45%

Expect a request for a refund or credit

Large 38% · Medium 43% · Small 54%

27% expect a negative review (35% of large merchants)

AI and holiday shopping



61% **Of merchants plan to use AI this holiday season, but adoption tracks size: no large merchants skip it, vs. 49% of medium and 68% of small.**

Large merchants favor customer service tools (63%), shipping optimization (57%) and chatbots (56%); no use tops 11% among small. Customer service is the top benefit overall (16%).

44%

Feel prepared for AI-assisted shopping:

37% of large vs. 2% of small; 20% of small expect no AI influence on shoppers

54%

Expect price comparison to be AI's top influence, ahead of comparing products (42%) and discovering gifts (33%)

31%

Would never let AI handle complaints or disputes

47% of large vs. 18% of small; 27% pricing decisions; 4% all tasks



Affordability and value

Price sensitivity defines the season: 52% of merchants expect more price-sensitive shoppers and free or discounted shipping is their top offer (41%).

Over half of merchants **(52%) expect shoppers to be more price-sensitive**, led by 63% of small and 60% of medium businesses.

However, **only 33% of large businesses agree**, and 35% expect shoppers to be more promotion-driven.

Price-conscious customers will…

- Wait for promotions (41%)
- Abandon purchases over shipping costs (18%)
- Trade down to cheaper gifts (15%)
- Choosing slower shipping to save money (15%)
- Buying for fewer people (11%)

Offers merchants plan to use to attract price-sensitive shoppers:

41% Shipping discounts



32% Bundle deals



29% Flexible payment options

