



The season of savings

Canadians are spending with caution

2026 Holiday retail outlook

Deloitte.
Together makes progress

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Canadians are feeling more cautious about spending

Survey results suggest that holiday spending is not disappearing. It's becoming more planned, selective, and difficult to win.

Cautious is shaping consumer decision

Tariffs, recession risk and the cost of living are shaping expectations before shoppers enter the market.

74%
recession concern

Consumers are budgeting, not abandoning the season

Shoppers are becoming more selective in how they spend, indicating a desire to control budgets rather than significantly scale back the holiday season.

29%
intend to spend less on holiday shopping

The core basket still matters

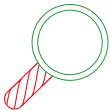
Gifts, groceries and travel remain the largest planned categories, concentrating competition around the biggest pieces of the holiday basket.

83%
intend to spend the same or less this season

-5%

Change in planned spending on gifts & gift cards

Consumers shared their planned spending in 2026 is \$1,305 compared to \$1,521 in 2025, down 14% - mainly driven by a decline in Holiday Entertaining & Experiences, even as most households report finances that are stable or improving.



Retailer insight

Make the budget stretch visible: lead with clearly marked, affordable gift options, bundles and phased promotions that help shoppers plan across the season.



Value is top of mind for Canadian shoppers

Every touchpoint is now a comparison point. That means retailers that make value easiest to see will stay in the basket.

Price opens the door, availability keeps it open
Reasonable prices lead retailer choice, while 74% will switch brands when their preferred option is unavailable.

The journey is fragmented, but not channel-less
Stores retain 55% of planned budgets, while online captures 42%. Shoppers move between both to validate price, product and availability.

Black Friday has become the conversion moment
More than half of holiday budgets are expected to be spent by the close of Black Friday/Cyber Monday (BFCM), making November the center of the promotional calendar.

77%
prioritize value

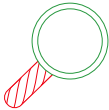
~16
shopping destinations

51%
of planned spend
by BFCM

80%

actively search or wait for the best price

Shoppers are driven by value and savings, so many are willing to wait for deals or invest time in searching for more savings.



Retailer insight

Remove comparison friction: synchronize price, product content and inventory across channels, and concentrate conversion investment around Black Friday/Cyber Monday.



Canadians are using AI for discovery, not checkout

AI is helping shoppers build the shortlist. Established platforms, clear information and customer control still complete the journey.

AI is becoming a research companion
Gift inspiration leads intended use, followed by price comparison, deal finding and review summaries.

37%
gift inspiration

The discovery backbone remains familiar
Amazon and Google remain the most widely used research destinations, while generative AI is an additional path rather than the default front door.

65% Amazon
64% Google

Control is the line consumers are not ready to cross
Only 19% would be comfortable letting AI purchase on their behalf, and data concerns remain high when use or benefit is unclear.

19%
comfortable with purchase

39%

plan to use AI for holiday shopping

Usage is highest among younger consumers and is concentrated in inspiration, comparison and deal finding.


Retailer insight

Win AI-assisted discovery, then hand control back: structure product data for comparison and keep checkout transparent, trusted and customer-led.



PART ONE

Canadians are feeling more cautious about spending



Consumers are cautious entering holiday shopping season

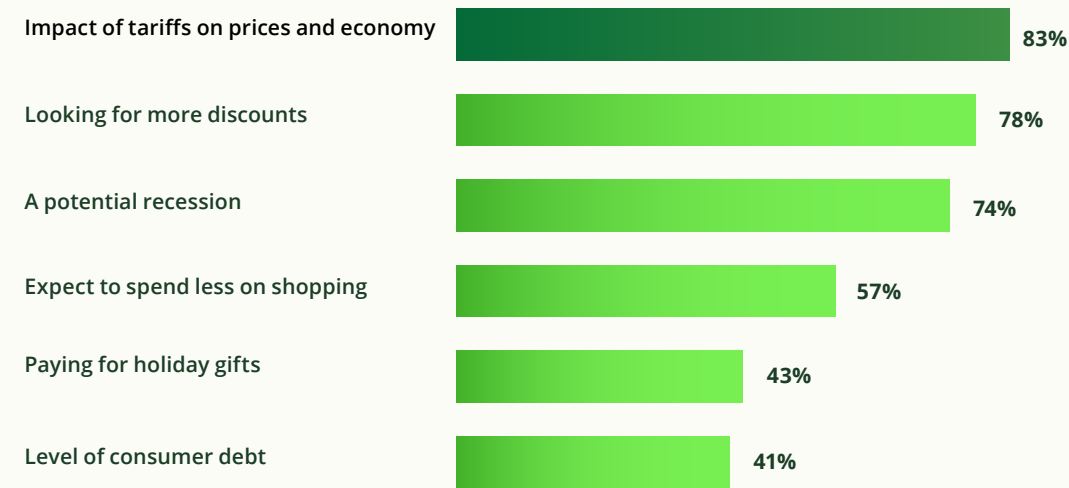
Fig. 1.1 Outlook for the Canadian economy in 2027 compared with today



45%
expect economy to
weaken by 2027

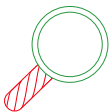
83%
are concerned about
the impact of tariffs on
prices or the Canadian
economy

Fig. 1.2
What Canadians are concerned about and how they're responding



Deloitte economic perspective

Uncertainty about jobs, rising prices and prospective interest rate increases will keep consumers cautious. The ongoing trade friction with the US has dimmed the outlook for employment growth especially in the most impacted industries. Wage gains have already slowed which will limit consumers' appetite to spend. Against this backdrop, households are likely to increase their savings, building reserves to navigate through this period of heightened uncertainty.



Retailer insight

Protect demand now:
lead every campaign
with a clear opening
price point, a concrete
savings proof point
and an affordable
alternative.



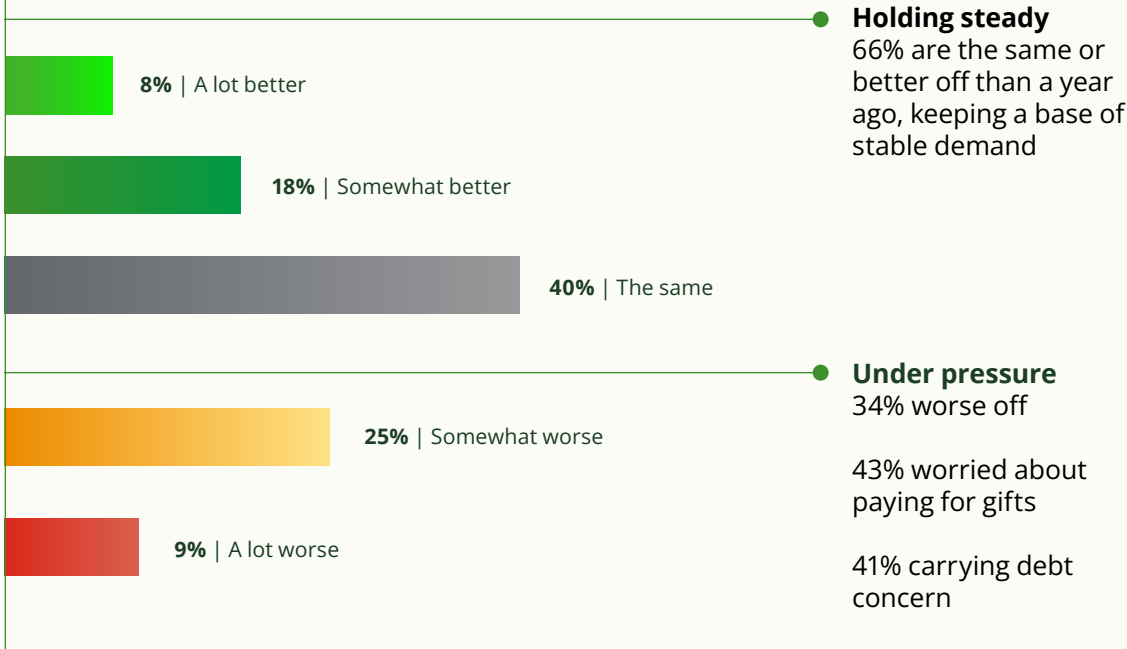
Household finances are split rather than collapsing

34%
Feel worse off than last year

40%
Feel unchanged

27%
Report improvement

Fig. 1.3
This year's household financial situation versus last year



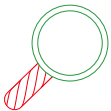
Sentiment is anxious, not broken
Consumers feel more cautious despite relatively stable household finances. While 34% say their household finances are worse than a year ago, 66% report being the same or better. At the same time, 74% say they are concerned about a recession and 57% agree that they expect to spend less on holiday shopping.

Bank of Canada points the same way
The Bank of Canada's Q2 Survey of Consumer Expectations points the same way as Deloitte's 2026 survey results: high prices and uncertainty continue to hold back spending plans, with households trading down on essentials and cutting discretionary spend – even as job fears are eased. Caution here is about sentiment, not solvency.¹

Deloitte economic perspective

Household balance sheets strengthened in the first half of the year supported by financial asset price appreciation, firmer real estate values and income gains. A softening in labour market conditions and pause in the housing market as trade tensions with the US resurfaced will keep consumers cautious about spending and looking to add to savings.

1. Source: Bank of Canada, Canadian Survey of Consumer Expectations, Q2 2026 (fielded April-May 2026)

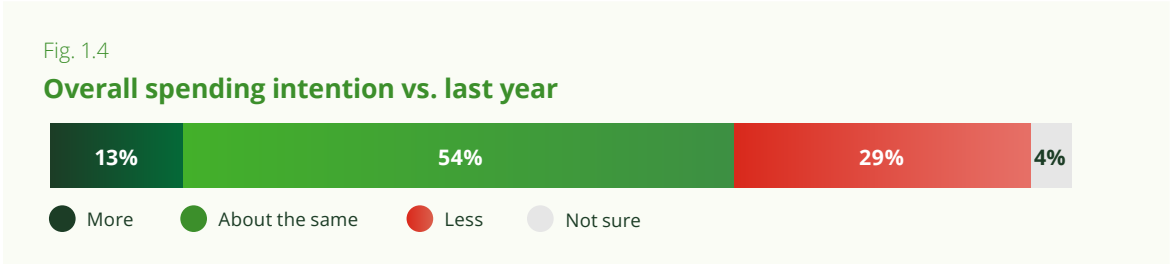


Retailer insight

Build confidence at the decision point: show total cost, delivery timing and easy returns, then offer good-better-best choices.



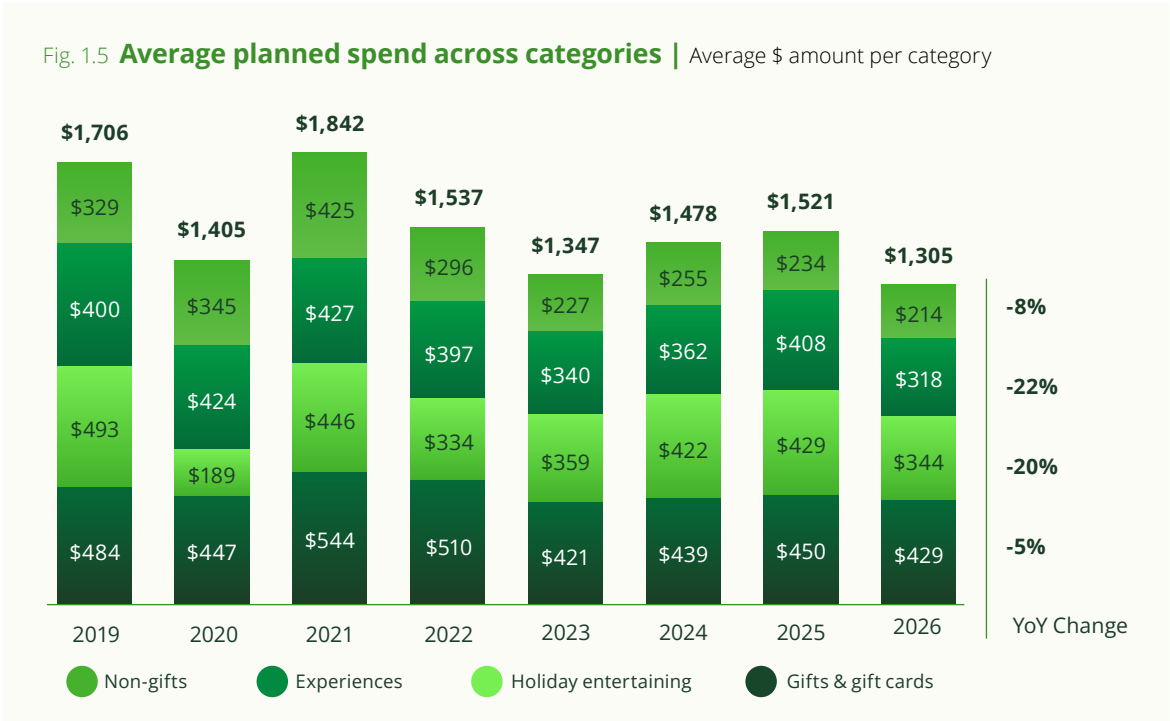
Canadians say they plan to spend less



\$1,305

Average planned 2026 holiday spend across listed categories

Non-gifts	\$214
Experiences	\$318
Holiday entertaining	\$344
Gifts and gift cards	\$429



Canadians plan to protect gift-giving²

Most Canadians expect stable holiday budgets, but nearly 3 in 10 plan to spend less overall; the 2026 basket is concentrated in gifts and entertaining.

While total planned holiday spending is down overall, gift and gift card spend is only down 5%, suggesting Canadians are protecting gift-giving while pulling back on experiences & holiday entertaining.

-5%

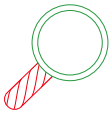
Year over year change in planned gift and gift card spend

2. Experiences includes travel or vacation over the holiday season & dining out.

Gifts & Gift Cards includes gifts (actual products not gift cards) & gift cards and gift certificates

Holiday Entertaining includes alcohol, cannabis & grocery spend over the holiday season

Non-Gifts includes non-gift clothing purchases for yourself or family, non-gift electronics, charitable donations & all other holiday season spending.



Retailer insight

Win the core basket: bundle gifts, holiday entertaining, and seasonal essentials, then cross-sell adjacent items before shoppers allocate spend elsewhere.

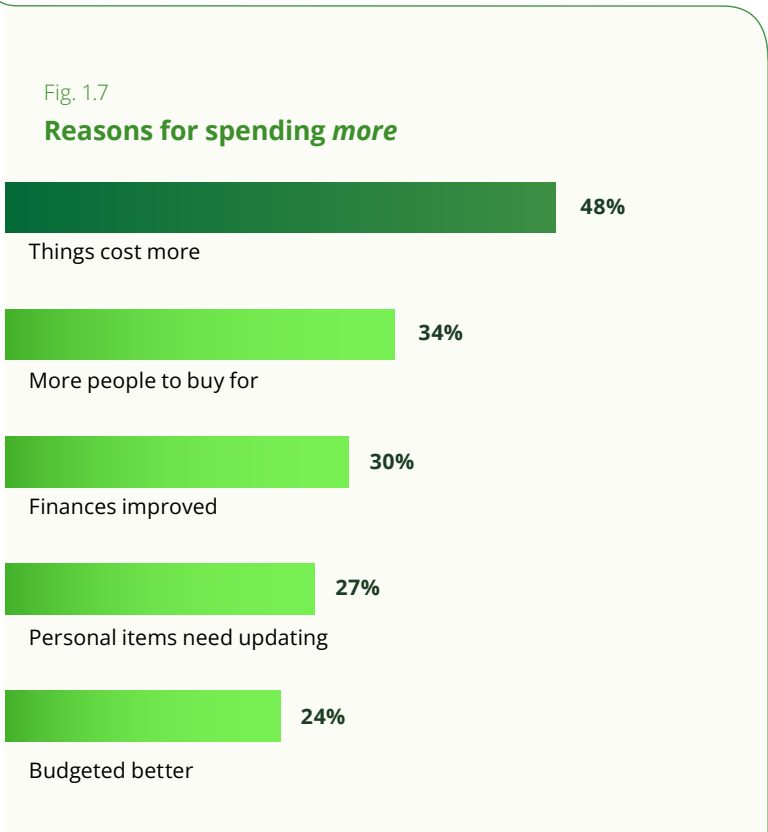
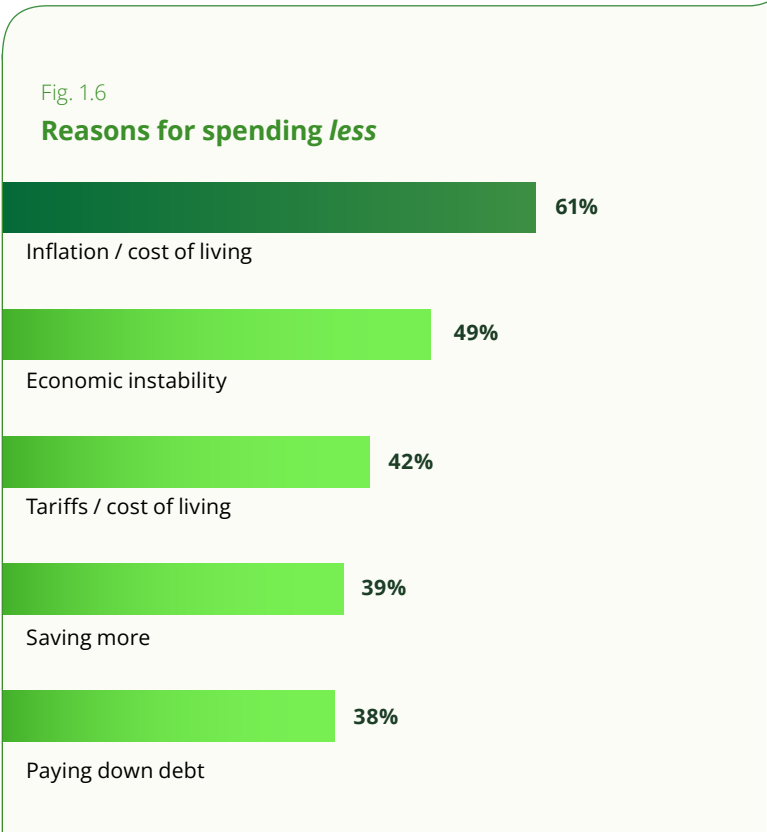


Inflation concerns are shaping holiday spending

61% of those who intend to spend less cite cost of living as the key reason

48% of those who intend to spend more cite items costing more

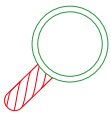
Inflation is the connective thread



What it means

Higher prices are shaping plans in both directions: 61% of those planning to spend less cite cost of living, while 48% of those planning to spend more say things simply cost more. A survey from the Bank of Canada with Q2 2026 data shows the same pattern – high prices and uncertainty are driving trade-down on essentials and discretionary cuts.³

3. Bank of Canada, Canadian Survey of Consumer Expectations, Q2 2026 (fielded April-May 2026)



Retailer insight

Tailor the offer by financial pressure: value for constrained shoppers, premium and convenience for resilient households.

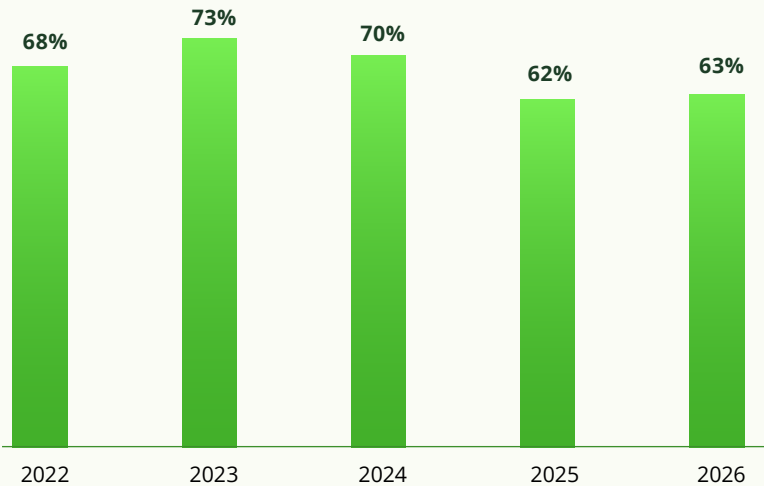


Shoppers continue to be skeptical about why prices are rising

79%
expect prices to be higher than in 2025

63%
believe companies are raising prices more than needed

Fig. 1.8
Perception that retailers raise prices “more than needed”



Trust is part of the value equation for consumers
79% expect holiday prices to be higher than in 2025, and 63% believe companies are raising prices more than needed. Together, these perceptions make value a question of trust as well as affordability.

Price sensitivity is shaping decisions
The wider survey finds 85% agree price and value influence shopping decisions, including deal seeking and potentially switching brands when prices are too high.



Retailer insight

Prove the price: show was/now savings, unit economics and benefit cues so shoppers can verify value in seconds.



PART TWO

Value is top of mind for Canadian shoppers



Waiting for the right price now feels normal

80%

actively search or wait for the best price

85%

prioritize value for money when making purchase decisions

74%

would switch brands when stock runs out

Deal seeking drives most baskets

Almost 80% of consumers actively search for or wait for the best price, making promotions and clear value messaging the entry ticket for consideration. 60% agree that loyalty influences where they shop, however, only 40% consider it an important consideration. Reasonable prices (77%) and quality (68%) remain leading considerations when considering a retailer.

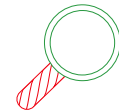
Out of stock puts relationships at risk

Product availability is an important consideration to over half of consumers (52%), with nearly three in four consumers (74%) indicating they would switch brands when their preferred option is unavailable; only 6% disagree.

Deloitte economic perspective

Rising prices for energy products are exerting pressure on household budgets. The overall inflation rate at 3% is what consumers are facing and some worry that tariffs will increase prices further. The longer energy prices remain elevated the greater the risk that this will flow through to other prices. We think that a weakening in the economy will limit the impact and look for the inflation rate to edge lower in early 2027.

For context: Gasoline prices are up 6% since the war in the Middle East began and 23% higher than a year ago. Outside gasoline, however, price increases are running at a more muted 2.4%.



Retailer insight

Treat price and stock as one promise: surface competitive prices, live availability and ready substitutes before shoppers switch.

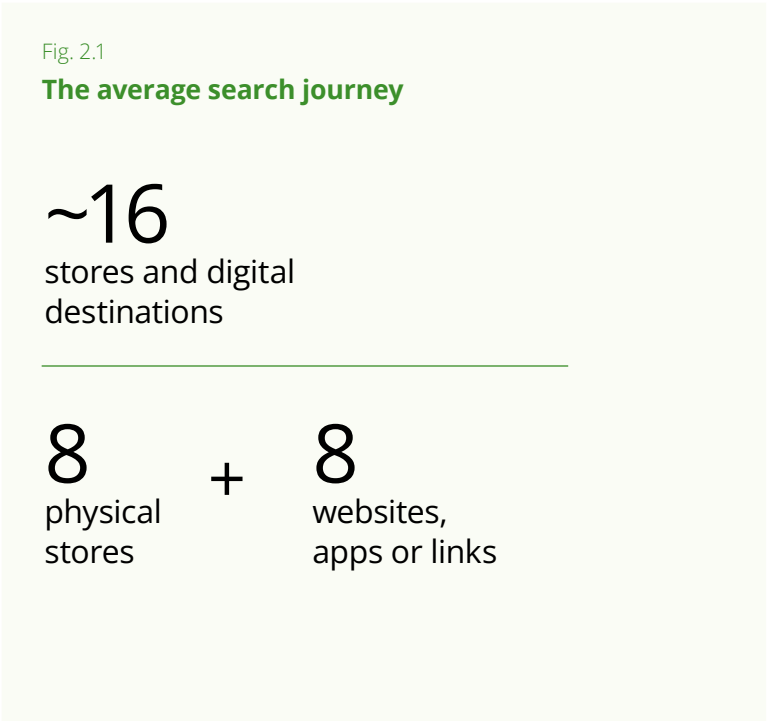


Winning the sale takes more than one touchpoint

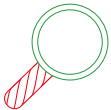
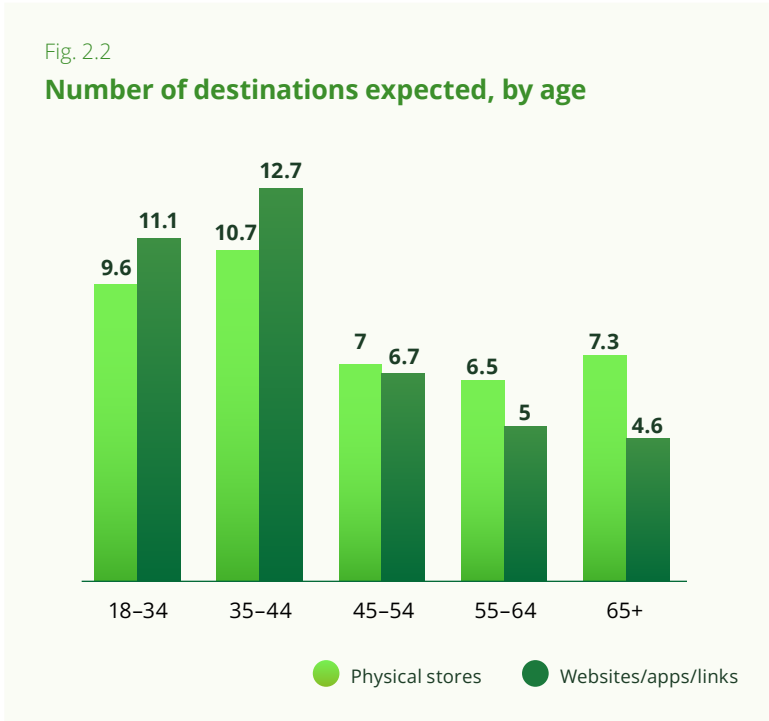
Holiday shopping is spanning more touchpoints

Canadians expect to visit ~16 physical and digital destinations this year, up from ~14 in 2025.

The journey is wide, making each price, availability and product-content touchpoint a competitive moment.



~23 destinations among ages 35-44



Retailer insight

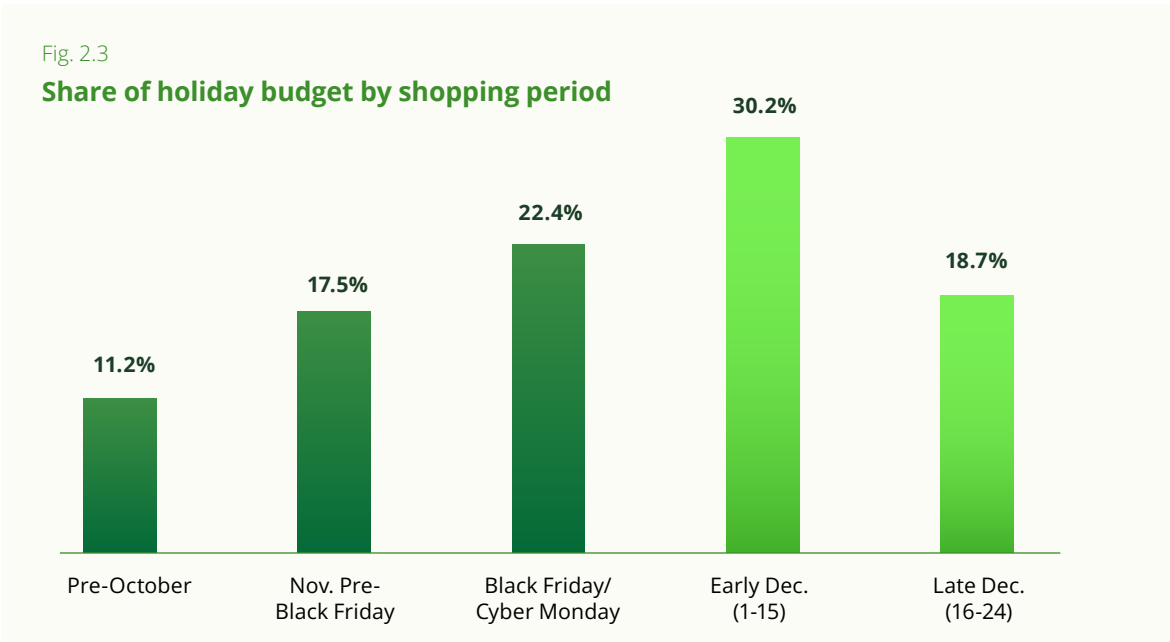
With shoppers expected to visit ~16 destinations, every departure is a chance to lose the sale. Keep pricing, inventory and product information aligned across channels, and use personalized messaging, loyalty programs and automated remarketing to bring shoppers back before they convert elsewhere.



Black Friday/Cyber Monday is now the main event, not a preview

Shopping intentions are concentrated around November

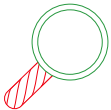
54% plan to shop Black Friday/Cyber Monday versus 40% for Boxing Week, a 14-point gap in intent. 60% identify Black Friday/Cyber Monday as offering the best discounts and promotions, compared with 37% who select Boxing Week.



Who leans in hardest

Engagement with Black Friday/Cyber Monday skews to younger and higher-income consumers.

51% of budgets are expected to be spent by the close of Black Friday/Cyber Monday.



Retailer insight

Make November the conversion engine: lock hero SKUs, inventory and media early, then reserve December for urgency and replenishment.



Digital is closing the gap on in-store shopping

In-store leads planned holiday spending at 55%, while a substantial 42% is allocated online, split almost evenly between desktop and mobile.

In-store
55%
of planned holiday budget

58% agree they prefer in-store shopping for the experience.

Online
42%
of planned holiday budget

Online spend splits nearly evenly: desktop/tablet 53%, mobile 47%, with no dominant digital path.

Same digital store-front, different front door

Mobile leads among shoppers under 55 (55%–60% of planned online spend), while those 65+ favour desktop, laptop or tablet (75%).

Fig. 2.4

Split by device

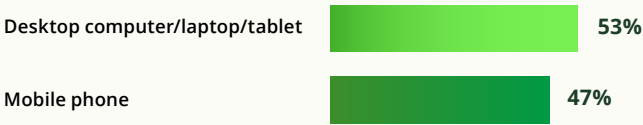
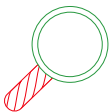
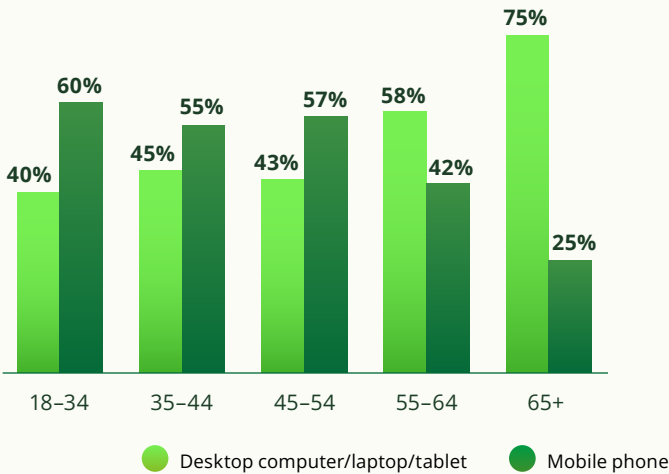


Fig. 2.5

Device usage by age



Retailer insight

Build one journey, two front doors: optimize mobile for younger shoppers, desktop for older shoppers, and connect both to store inventory and pickup.



Stores remain central to holiday shopping as online marketplaces gain influence

58%
prefer to shop in-store for the experience

55%
of holiday budget to be spent in store (vs. 42% online)

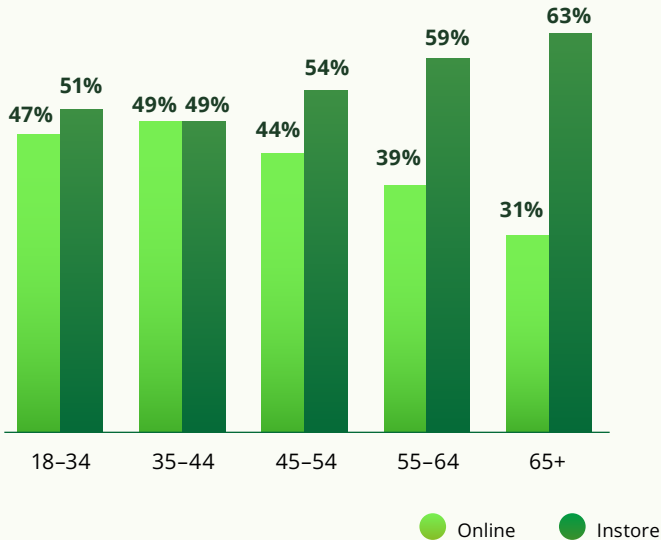
74%
plan to shop Amazon for holiday gifts

Budget allocation varies by income

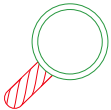
Higher-income households allocate more of their holiday budget online: 47% among those earning \$100k–\$149k and 48% at \$150k+, versus 36% below \$50k. Households below \$50k allocate 60% in-store.

Fig. 2.6

In-store budget allocation varies by generation⁴



4. "Other" category accounts for remaining spending



Retailer insight

Make stores do what marketplaces cannot: use local inventory, fast pickup, easy returns and seasonal experience to convert intent into visits.

The store still matters

53%
say holiday displays, décor, events, or experiences would encourage them to shop in-store instead of online

49%
use looking in-store as a research channel

45%
cite convenient locations as an important retailer consideration

Amazon has broad reach across the journey

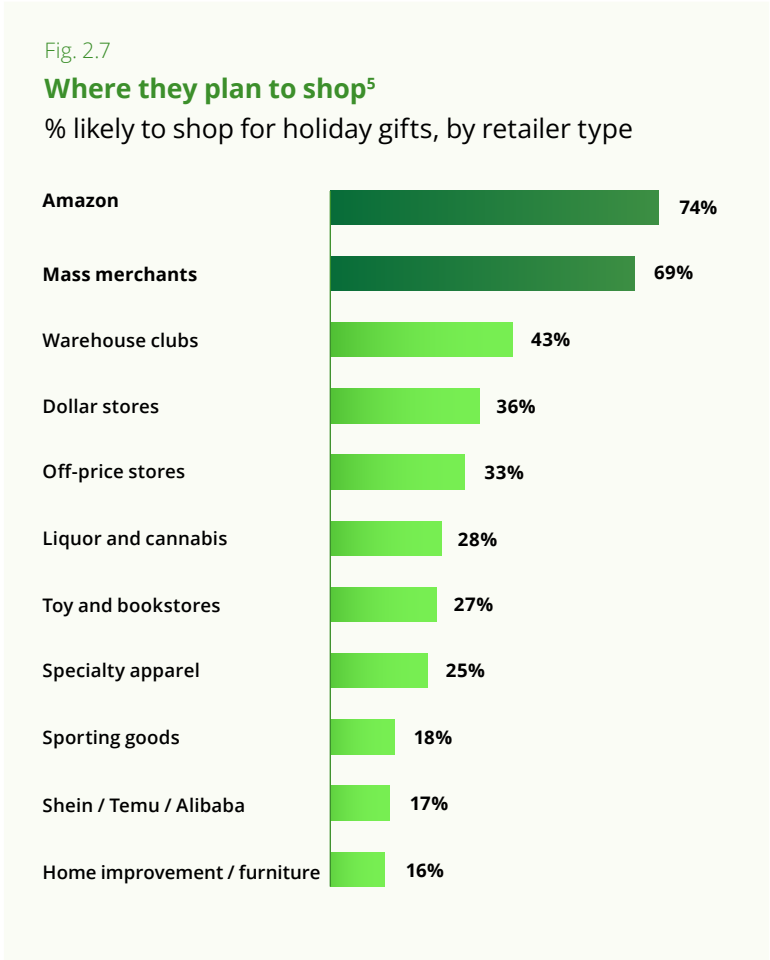
59%
are already Amazon Prime members

65%
research on Amazon, effectively tied with Google (64%)

63%
agree online shopping is more convenient during the holidays



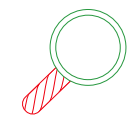
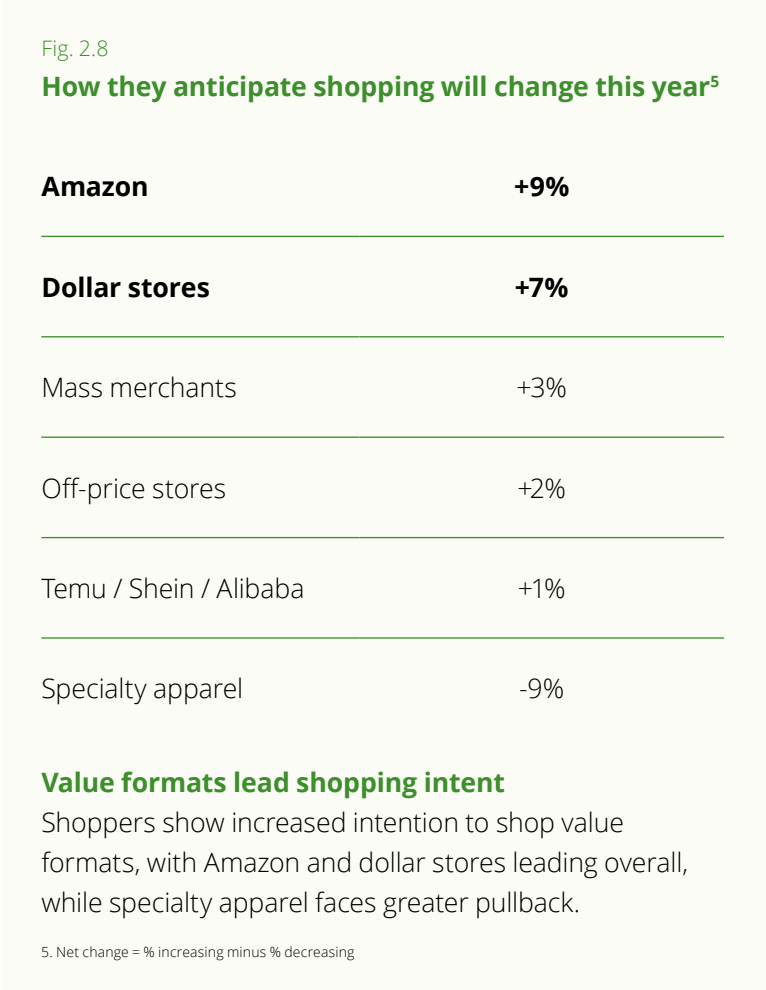
The holiday battleground expands as shoppers seek savings



Global marketplace intent skews young
Younger shoppers account for most of the increased shopping intention towards global marketplaces.

39%
of those expecting to increase shopping at Temu, Shein, Alibaba or other global marketplaces are 18–34

62%
are under 45



Retailer insight

Make value unmistakable: lead with sharp opening price points, comparison-friendly bundles and member-only benefits.



Canadian and local ownership matters, but value still leads retailer choice

Canadian products build preference. Price determines conversion

68% prefer products aligned with their values, including local/Canadian-made, small-business and sustainable products.

But shoppers remain intensely value-conscious: 78% are looking harder for discounts and 77% prioritize reasonable prices and value when choosing a retailer.

Canadian products can strengthen preference, but retailers still have to earn the purchase on price.

Similarly, Canadian ownership adds differentiation, but the fundamentals still come first.

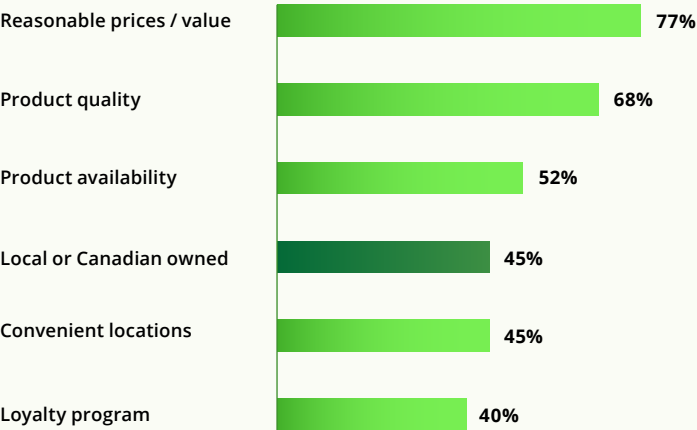


83%

are concerned about the impact of tariffs on prices or the Canadian economy, sharpening the focus on both value and domestic considerations.

Fig. 2.9

What matters when choosing a holiday retailer



Retailer insight

Use Canadian provenance as proof, not a premium: label Canadian-owned and Canadian-made precisely, then keep the offer price-competitive.

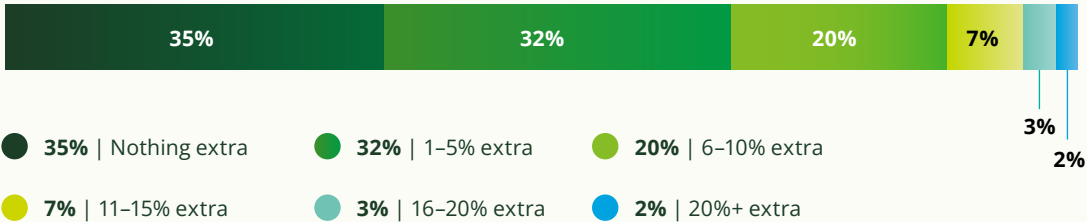


Consumers support responsible sourcing, but affordability remains key

65%
would pay at least
some premium

13%
would pay more than
a 10% premium

Fig. 2.10
How much extra Canadians would pay for products that reflect their priorities



Willingness to pay more for products certified as socially compliant or sustainable, or produced by factories supporting employee wellbeing, is concentrated at lower premiums.

A widening generational and income gap

46% of shoppers 65+ would pay nothing extra, versus 24% of those 18-34.
44% of households under \$50k would pay no premium at all.



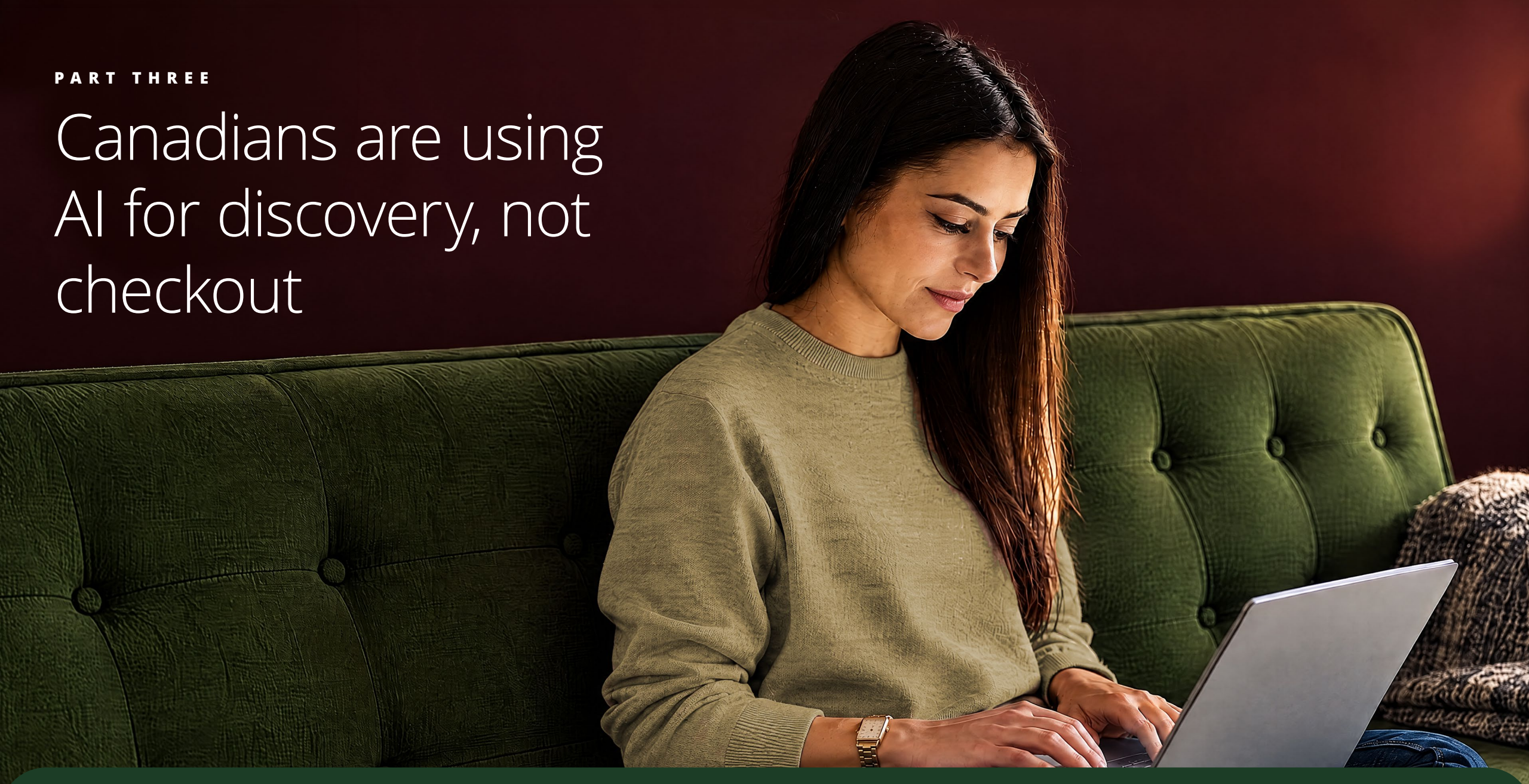
Retailer insight

Cap the values premium: keep most options within 10% of mainstream alternatives and offer a no-premium choice.



PART THREE

Canadians are using AI for discovery, not checkout



Consumers use AI for shopping, but not at checkout

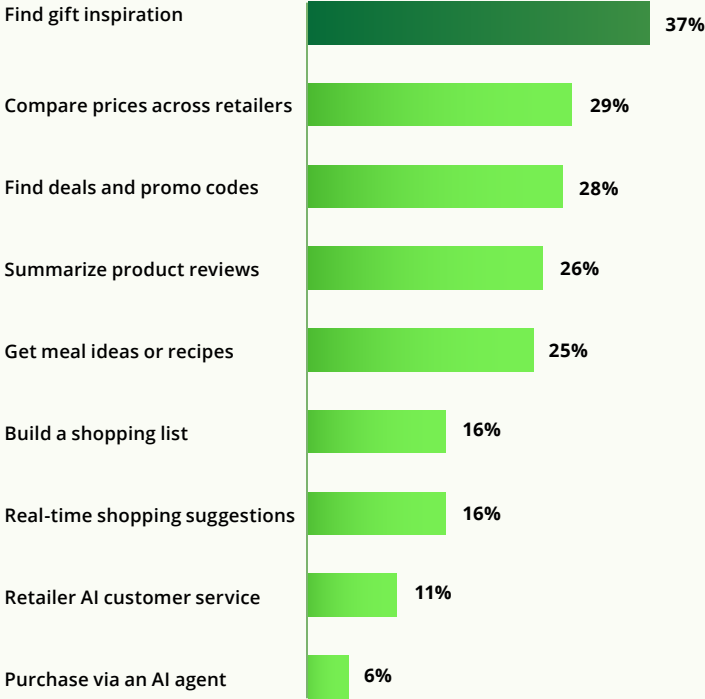
Adoption at a glance

52%
use AI tools at least weekly

32%
would use AI for holiday research

37% would not use AI for any items in Fig 3.1

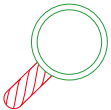
Fig. 3.1
What Canadians would use AI for this holiday



High curiosity, low trust
37% would use AI for gift inspiration, while just 6% would purchase directly through an AI agent.

AI interest generally moderates with age: 64% of those 65+ select none of the listed uses, compared with 24% of 18-34s, with middle-aged shoppers falling in between.

Fig. 3.2
Sharp generational gaps emerge in holiday AI use cases



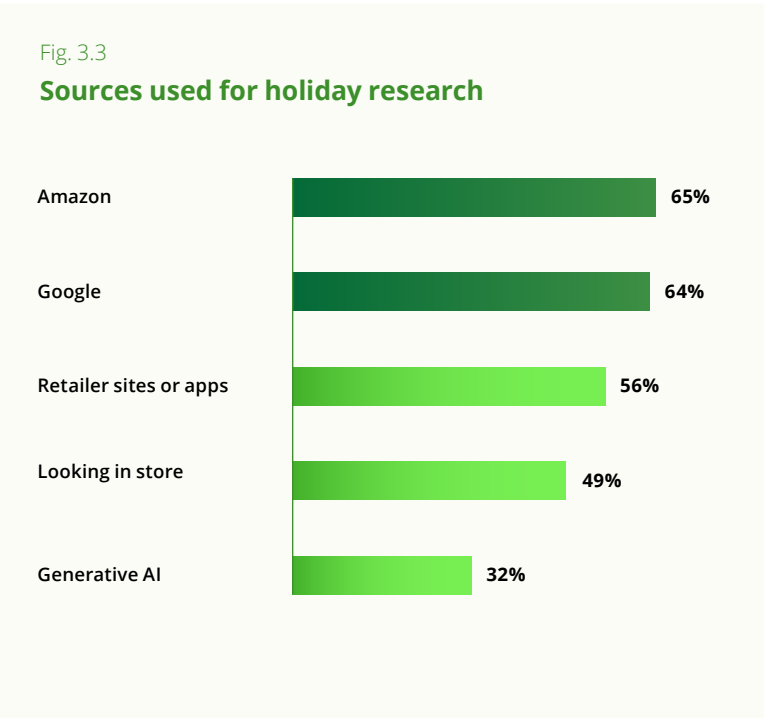
Retailer insight

Use AI where trust is highest: for inspiration, comparison and review summaries. As AI becomes a shopping channel, retailers need to invest early and strategically in ensuring AI visibility through building strategic content, data and commerce capabilities.

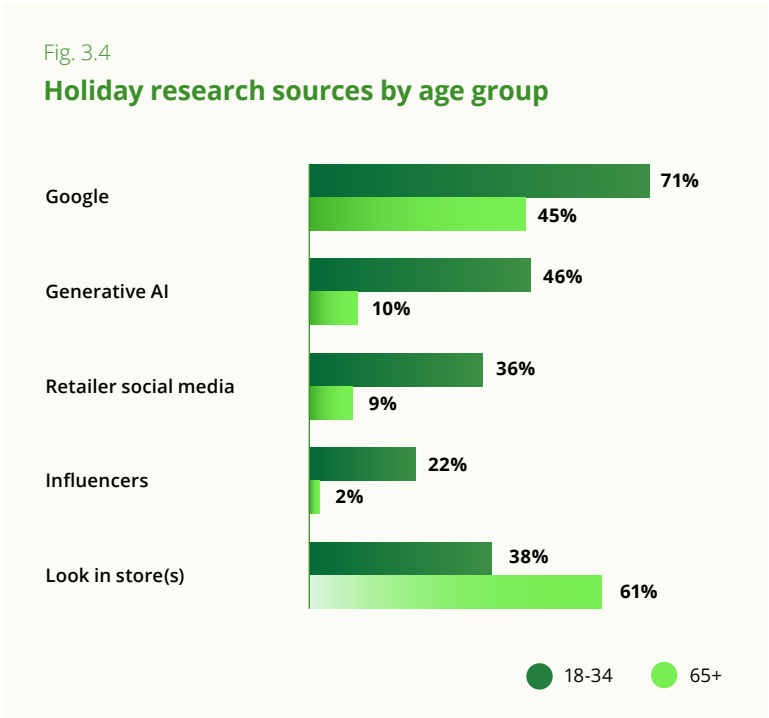


Holiday discovery is fragmenting along generational lines

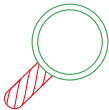
The discovery backbone



Nearly one-third (32%) would use generative AI for holiday research but remains well behind Amazon and Google overall.



AI is a mainstream tool for younger shoppers
Younger shoppers add digital discovery; older shoppers lean into stores. 46% of 18–34s would use generative AI for holiday research versus 10% of those 65+, while in-store research moves in the opposite direction (38% vs. 61%). Middle-aged shoppers generally fall between these groups. Amazon discovery is comparatively consistent across age groups, ranging from 62% to 71%.



Retailer insight

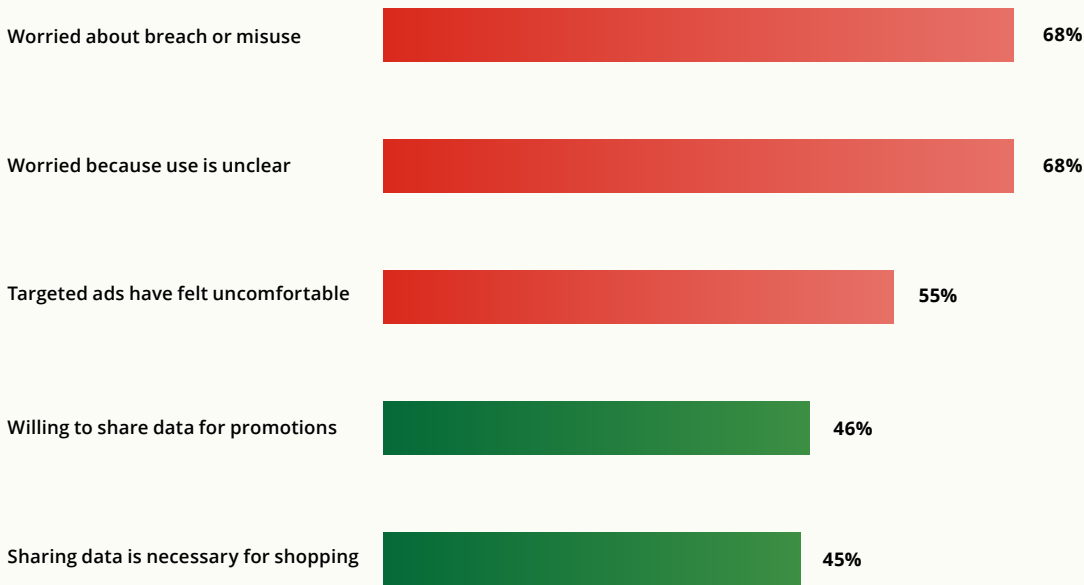
Run a segmented discovery plan: optimize Amazon and Google for all shoppers, add AI and social for younger cohorts, and preserve in-store inspiration for older cohorts.



Shoppers want offers, but most remain uneasy about data and privacy

The opportunity is permissioned relevance, not more personalization by default.

Fig. 3.5
Consumer attitudes toward data sharing and privacy

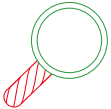


The paradox

46%
are willing to share data for promotions

68%
are worried about misuse

68%
are worried about unclear use



Retailer insight

Earn permission before personalization: state the benefit, ask only for essential data and give customers simple controls.



The signals are clear. The advantage comes from how you act on them.

Holiday 2026 presents an opportunity for retailers to convert broad consumer signals into precise choices for their customers, categories and channels.

Five moves to build your holiday advantage

- 1 Strengthen value beyond the promotion** Use customer insight to sharpen pricing, promotions and value messaging, making savings, quality and availability easy to identify and trust.
- 2 Create a connected journey across every destination** Align unified commerce, channel and experience strategies around how customers discover, compare and buy across physical and digital touchpoints to drive conversion and satisfaction.
- 3 Turn availability and experience into conversion** Connect inventory, fulfilment and store experience decisions to protect the sale and give customers more reasons to visit and purchase.
- 4 Translate Canadian relevance into customer preference** Use customer and market insight to determine where local ownership, values and tailored offerings can strengthen differentiation without compromising affordability and value.
- 5 Integrate AI into your unified commerce strategy from the outset** Build AI, data, governance and human support into the broader commerce strategy to enable trusted discovery, connected experiences and greater resilience.



Turn insight into a retailer-specific growth playbook with Deloitte

Deloitte brings together customer insight, retail strategy, experience, data and AI to identify where value can be created for your business and your customers.

Customer and market

Find the highest-value needs, segments and moments..

Value and commercial

Shape pricing, promotions, loyalty and assortment.

Experience and AI

Design connected journeys with trusted, assistive AI.

Activation and execution

Translate choices into an executable roadmap and operating model.

Let's build your holiday advantage
Contact us!



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Analytics Insights

Chloe Euale

Senior Consultant
Human Capital

Amanda Windsor

Consultant
Customer Strategy



Consumer survey methodology

Timing

Aug. 28 – Sep. 4, 2026

Methodology

Deloitte’s annual holiday retail outlook explores the shopping behaviours, attitudes, and preferences of consumers for the upcoming holiday season. The findings are based on a survey of more than 1,000 Canadian consumers across age groups, financial situations, and geographic regions. All dollar figures quoted are in Canadian currency.





Legal disclaimer

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