Shopping trends retailers can embrace to close out the holidays and start 2025 strong

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The holiday shopping season is here and for retailers, it's make-or-break time. Despite recent inflation and economic uncertainty, retail spending is expected to stay strong. The National Retail Federation forecasts Americans will spend between $979 and $989 billion in November and December alone, marking a roughly 3% increase compared to last year.

The shift? How and what consumers are buying. This year, retailers who embrace trends like flexible payment options, interest-free financing, and self-gifting will capture more sales. Those that don't risk falling behind.

Paying Over Time is the Norm
Consumers are making their preferences clear: paying over time is rising to the top. Last quarter, Affirm grew more than four times faster than U.S. e-commerce, and that momentum shows no signs of slowing. This growth is driven by consumers who are increasingly choosing payment options that offer flexibility, transparency and control. Research supports this shift, showing that more than half of Americans are using pay-over-time options to better manage their budgets. Affirm meets this need by giving consumers the ability to break purchases into manageable payments – each plan with a clear start and end date – and never charging late or hidden fees.

For retailers, offering payment flexibility isn't just a nice-to-have – it's a must for attracting and retaining customers.

The New Discount: Interest-Free Promotions
While inflation may be easing, prices are still higher than what we're used to, making shoppers more budget-conscious than ever. A recent Deloitte survey found that nearly 80% of consumers plan to shop holiday promotions. But they're less focused on traditional discounts and more interested in financial flexibility - especially when it's interest-free. In fact, a recent Affirm survey found that 50% of consumers value 0% APR promotions as much as —if not more than traditional discounts. We also found that 40% of Americans are more likely to make a purchase if 0% APR is available.

This trend is a win-win for retailers, driving higher conversions, preserving profit margins, and fostering strong brand loyalty – much more effectively than traditional discounting.

Self-Gifting is On the Rise
Another key trend: self-gifting. Consumers are buying more gifts for themselves, a trend that's fueling demand for products that they might have otherwise purchased *after* the holidays. Early data shows a notable surge in consumer electronics and travel, two of the top categories for self-gifting this year. Both saw an impressive 40% to 50% year-over-year increase in sales with Affirm over the Black Friday / Cyber Monday weekend.

Retailers that position themselves as the destination for tech upgrades or experiences will stand out this holiday season and beyond.

The Bottom Line
As we enter the final stretch of the holiday season, it's time to act. Lean into these trends – by offering flexible payment offers, integrating interest-free promotions, and supporting self-gifting – to finish the holiday season strong and help set your business up for success in 2025. The clock is ticking, so make sure you're ready to meet consumers where they are.