

FESTIVE PULSE 2025

Unveiling Trends, Choices, and Influences

October 2025



India's grand festive season has started, and the excitement is palpable as it marks a period of celebration for both brands and consumers alike. While consumers seek to fully capitalize on the hefty discounts and attractive offers to maximize their spending, brands are eager to capitalize on the increased shopping budgets to boost their bottom lines.

As per industry reports, India's urban households are expected to spend around **INR 2.2 lakh crore (~USD 25 billion)** this festive season, a significant hike of 18% over last year's expenditures, signaling a steady consumer

confidence.¹ The elevated spending intent coupled with the newly introduced Goods & Services Tax (GST) reforms is poised to have a defining impact on consumers' purchase decisions and shopping patterns, creating a unique environment for brands to understand and respond to the changing consumer behavior dynamics.

This report captures the mood of Indian consumers for the upcoming festive season, uncovering the key trends, preferences, choices, and influences to gauge the overall market sentiment.

Executive Summary / Key Highlights

Festive shopping purses are getting bigger with **38%** planning to spend **₹30,000 and above**

India goes online as **78%** of its festive shoppers prefer **e-commerce websites** for festive purchases

GST Reforms and their impact

94% respondents are either fully or partially aware of the recent GST reforms creating a well-informed customer base

GST cuts are a potential game changer for 2025 festive season – **56%** shoppers are **somewhat or strongly influenced** in their purchase decisions

Electronics (63%) and gadgets (45%) are the big winners emerging as the top choice of festive shoppers due to GST rates revisions

Financial prudence takes centre stage with **61%** of shoppers planning to save the extra money from reduced tax rates

Digital is the new shopping currency with 70% of shoppers getting influenced by social media ads and digital features like price comparison tools and AI-driven recommendations becoming highly popular among festive buyers

Product quality (72%) and **discounts (70%)** are the flavour of the season as the top shopping factors over emotions (37%) and style (23%)

Sustainability is poised to alter festive shopping dynamics with 43% treating it as somewhat or extremely important in their buying decisions

1. <https://www.fortuneindia.com/economy/indias-urban-households-to-spend-219-lakh-crore-this-festive-season-shows-survey/126320>

Unwrapping the Shoppers' Pulse:

Setting the Context for the Festive Season 2025


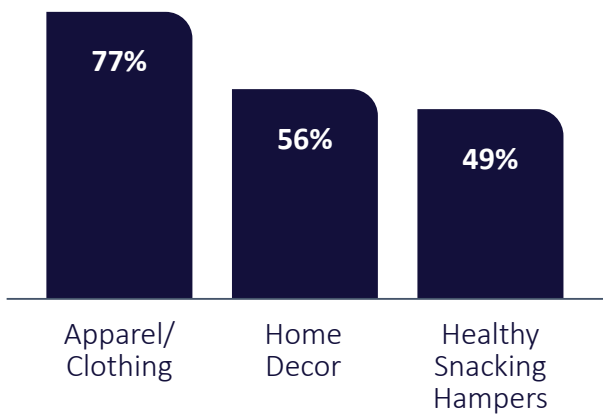
India's festive season, extending from September to December, marks the most vibrant cycle of consumer spending. Retailers and e-commerce platforms experience record sales during this period as consumers spend on a wide range of items, including clothing, electronics, home décor, and travel.

Festive Shopping Budget




The expanding purse size is a testimony to the **growing confidence** and **rising purchasing power** of Indian consumers.

Top Purchase Categories



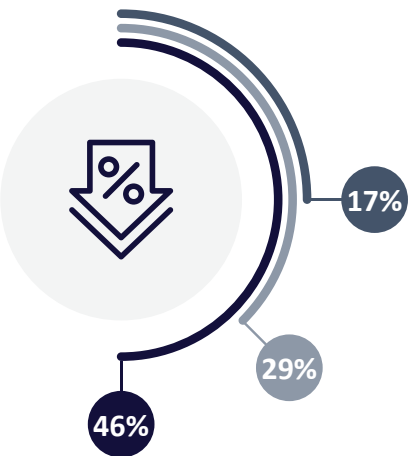
Indians tend to spend more on clothing, home upgrades, and gifts during the festive season

Shopping Medium Choice



Indians have developed omnichannel shopping habits, with marketplaces (offline and online) emerging as the dominant shopping platforms

Need-based vs Festive Buying



46% of consumers shop on a need-basis, while **29%** postpone shopping for discounts; **17%** actively wait for festive sales



Consumers balance spontaneous buying with tactical use of festive periods, requiring retailers to sustain sales and marketing investments beyond festive periods

The Great GST Gift:

India's Festive Shopping Gets a Tax Breather

India's festive shopping season just got brighter, thanks to the Great GST Gift, a sweeping tax reform designed to put more money in shoppers' hands. In effect from September 22, 2025, just in time before the festive season, the GST amendments introduced a significant restructuring of the existing rates. Under the new regime, the GST on daily essentials is slashed

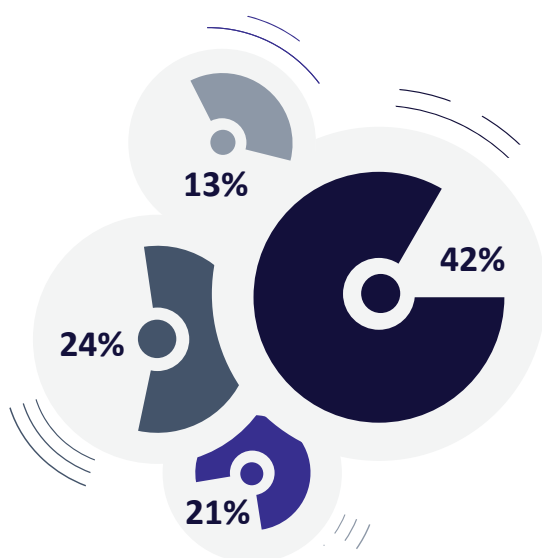
from **12% to 5%**, while electronics and automobiles witnessed their tax rates drop from **28% to 18%**.² This would make festival shopping and household upgrades notably more affordable for Indian families. Tax relief gives consumers reasons to celebrate, while brands have a lot of strategic rethinking to do to adapt their offers to align with the new tax rates.

High Awareness Levels to Shape Market Dynamics

As the festive season coincides with the recent GST reforms, awareness of the new tax regime and its impact on spending becomes a critical backdrop to understanding consumer behavior.

94%

respondents are fully or partially aware of the recent GST rate reductions and changes, suggesting that information outreach campaigns have been largely effective.



■ Somewhat influences ■ Little influences
■ Strongly influences ■ No influences

Influence of the GST Curbs on the Festive Shopping

The widespread consumer awareness translates into tangible market impact as rate cuts influence nearly half of the buyers, but many remain cautious. This aligns with the predominantly price-sensitive nature of Indian consumers, with half of the market being responsive to lower prices. However, with nearly the other half showing indifference to the tax changes, the tide seems to be shifting, warranting careful curation of offers to target different segments.

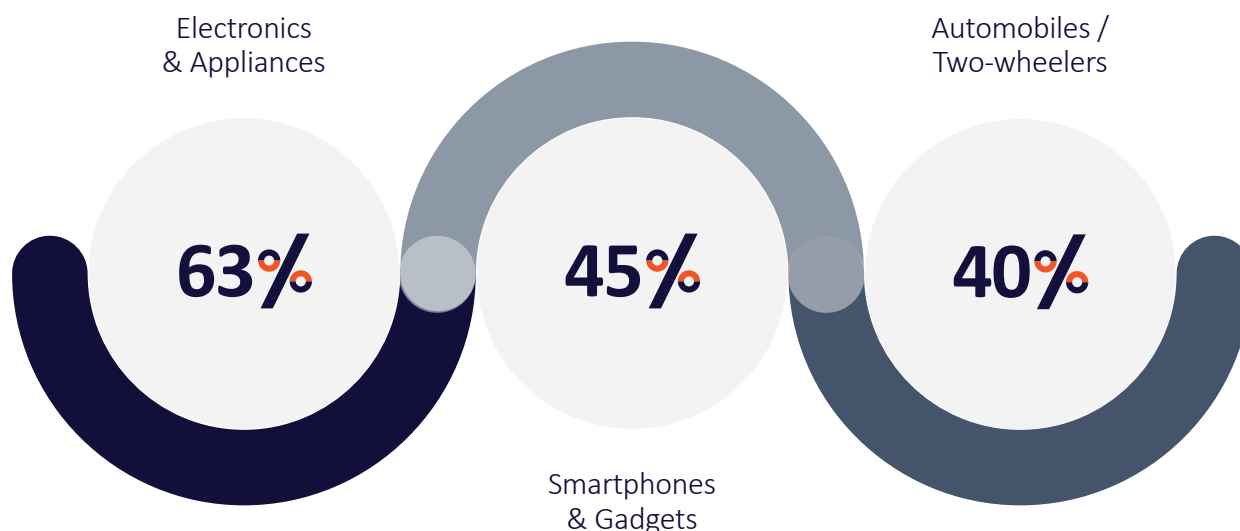
Electronics, Mobility, and Lifestyle to Take the Biggest Pie; Premium Clothing to Feel the Pinch

To make the most of these GST tax rebates, consumers are rethinking their purchase choices.

While apparel/clothing, home décor and renovation, and dry fruits/healthy snacking hampers top the list of popular spending categories during festivals, the trend is likely to shift this year due to the GST reduction.

2. <https://static.pib.gov.in/WriteReadData/specificdocs/documents/2025/sep/doc202594628401.pdf>

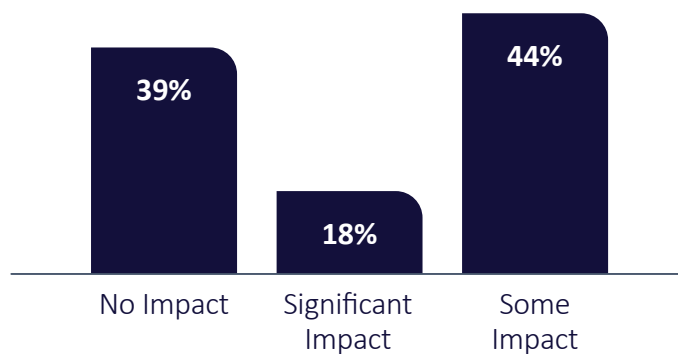
Categories Gaining the Biggest Boost from the GST Cut



The dominance of these categories seems obvious, as they have witnessed a significant tax reduction from **28%** to **18%**, making them an attractive and affordable choice for consumers.

However, certain categories, such as luxury clothing, face new challenges under the revised regime. For premium apparel priced above INR 2500, the GST rate hiked from **12%** to **18%**, leading brands such as Zara, Lacoste, and Levi's to fear a drop in sales, especially among the cost-conscious young consumers.³ Survey results lend affirmation to these concerns, with **62%** of consumers claiming moderate to significant impact and only **39%** remaining entirely unaffected.

Impact of GST Hike on Premium Apparel Purchase



Implication

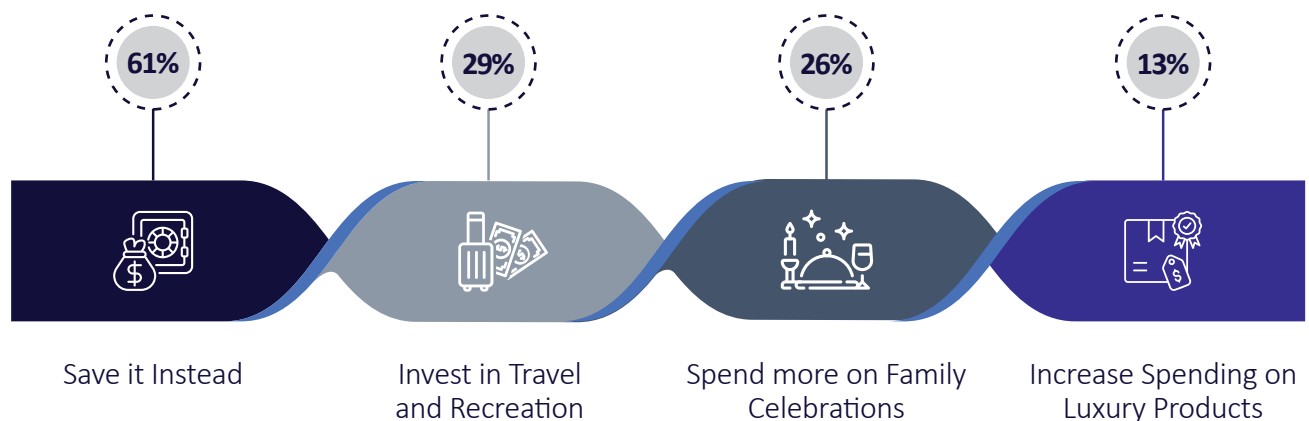
GST reforms will impact big-ticket purchases across tech and mobility, so brands need to enhance visibility, promotions, and accessible financing to capitalize on the surge in purchase intent. In contrast, premium apparel brands should consider absorbing the price hike to retain consumer trust and encourage spending.

3. <https://brandequity.economicstimes.indiatimes.com/news/marketing/zara-levis-lacoste-among-global-fashion-brands-that-may-be-hit-by-new-gst-rates/123716258>

Savings Over Splurging - GST Benefits Drive Financial Prudence

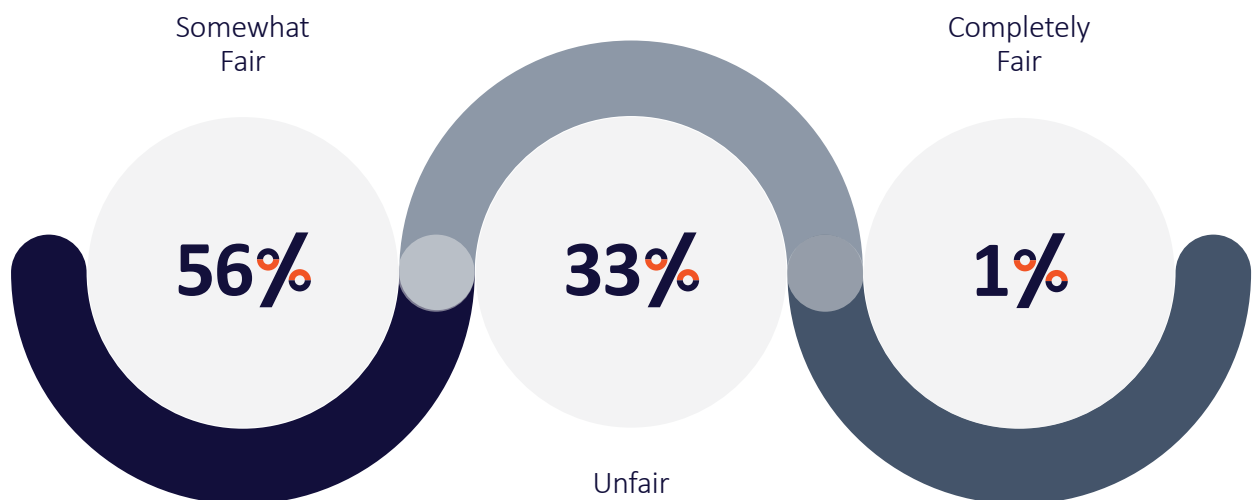
Brands are anticipating reduced GST rates to drive higher consumer spending during the festive season. Companies in sectors such as automobiles are pretty optimistic, expecting a healthy **30-40%** jump in sales over the next two months.⁴ However, Indian consumers are growing wiser in terms of managing their finances. Contrary to the expectations of splurging the additional money on shopping, Indian consumers have demonstrated remarkable financial prudence by prioritizing savings over discretionary spending.

How Shoppers are Redirecting GST Savings



The strong savings intent highlights the evolving financial maturity of Indian consumers as the majority prefer to reserve GST savings for future security and meaningful experiences rather than immediate indulgences.

Part of this financial prudence can be attributed to Indian consumers' lack of trust in retailers fairly passing the benefits of the GST cuts, causing them to choose savings over spending.



In the survey, only **1%** of shoppers feel retailers will fully pass GST benefits down to the customer underlining a profound lack of trust among shoppers in retailers' transparency in transferring tax savings.

Implication

GST cuts alone won't make consumers spend more. Brands must recalibrate their festive marketing strategies, shifting from merely highlighting discounts to truly building trust and offering value-adding incentives that justify increased spending.

4. <https://www.bbc.com/news/articles/c04qd2lkq23o>

Clicks, Connections, and Conscious Choices:

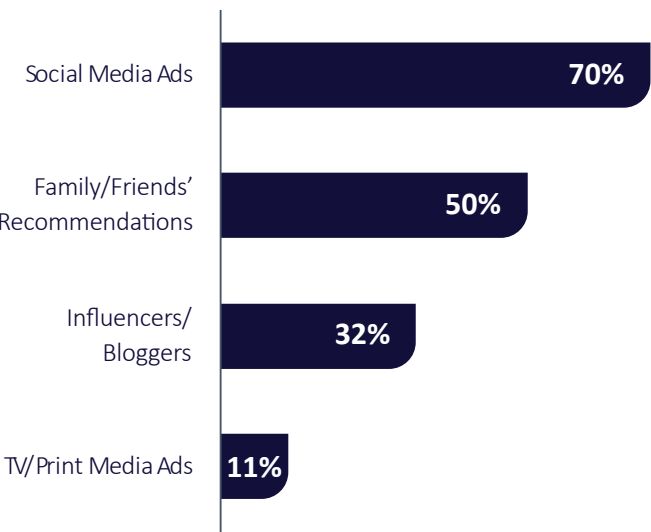
The Changing Face of India's Festive Shopping

India's festive shopping spirit is no longer just about deals. It is powered by dynamic digital journeys and peer influences. The heartbeat of 2025's festival shopper behavior is rooted in deeper motivations of digital inspirations, emotional triggers, and the search for value.

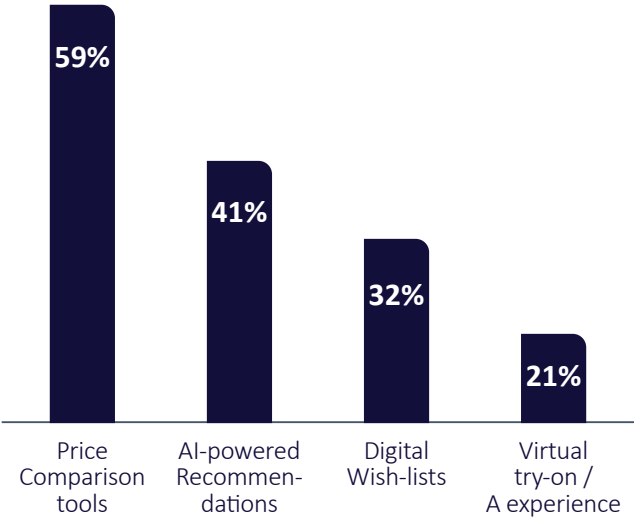
The Digital-First & Family-Influenced Shopper

Technology is redefining the festive shopping landscape with consumers keenly embracing advanced digital features and platforms to influence their purchase decisions. Social media ads, family/friends' recommendations, and influencers/bloggers are the strongest influencers, highlighting the convincing role of digital platforms and peer input in influencing consumer choices. Traditional TV/print ads influence only **11%** buyers, underlining how technology has replaced traditional media in guiding festive shopping journeys. Consumers are increasingly adopting digital tools to navigate shopping journeys. Price comparison tools, digital wishlists, artificial intelligence (AI)-based recommendations, and augmented reality (AR) experiences are emerging as the most popular digital features showing interest in tech-based tools that aid smart, personalized, and interactive shopping.

Information Source for Festive Buying



Most Popular Digital Features During the Festive Season

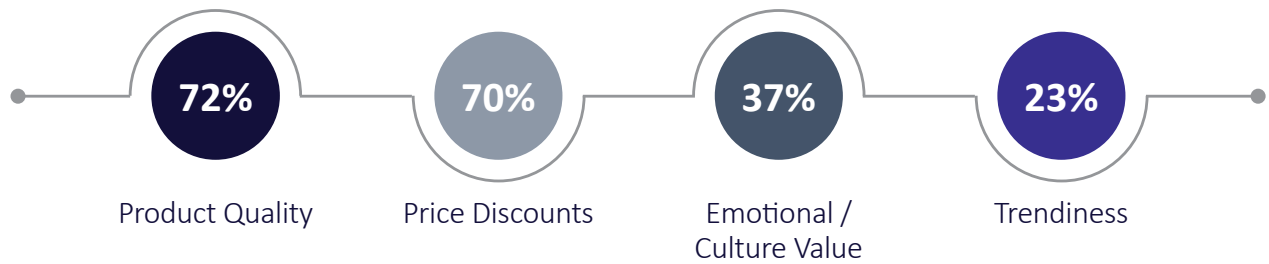


Value-Driven Choices:

Quality and Discounts Drive Decisions Over Trends and Culture

The modern Indian consumer has evolved into a mature, wise, and value-centric shopper, prioritizing quality and price over fleeting trends and emotions. For the 2025 festive season, a vast majority of consumers prioritize product quality as the most significant factor, while a nearly equal percentage choose price discounts/offers as the critical driver of shopping decisions. Trendiness ranks low on priority list indicating consumers are focused on getting value and reliability from their purchases rather than chasing style.

Top Factors for Festive Shopping



Implication

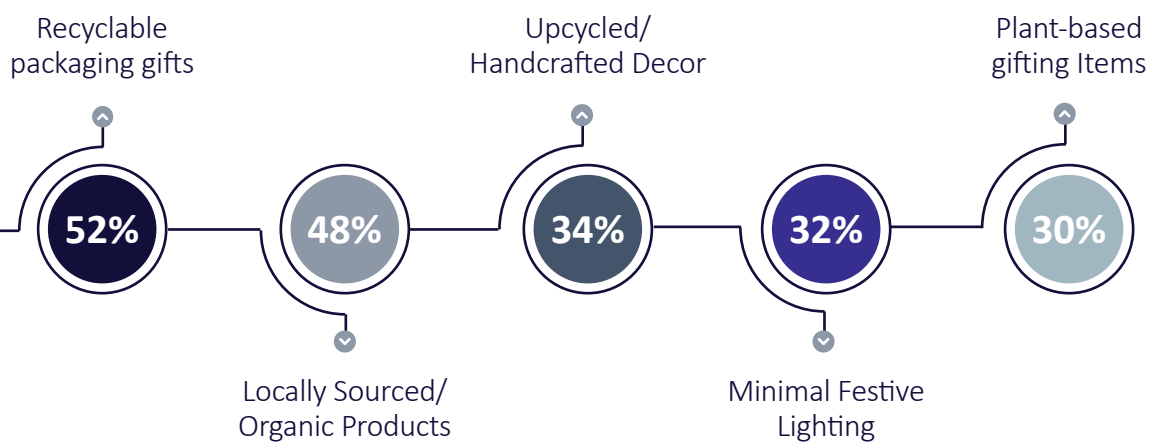
This blend of value and assurance means buyers seek both excellence and savings, and festive spending has become value-centric. Brands must carefully recalibrate their offerings to strike the right balance between cost and quality to hit the festive jackpot.

Sustainability Finds its Feet but has a Long Run Ahead

Sustainability has finally started to find its place in the Indian festive shopping scene, not yet in the mainstream, but increasingly relevant for shaping brand differentiation. Customers acknowledge sustainability, but it is far from being a decisive factor in their purchase decisions.

Nearly half (**48%**) of respondents remained neutral, while **43%** consider it important/extremely important, and only **10%** claimed it is not at all important, suggesting a rising consideration of eco-consciousness in festive purchase decisions.

Preferred Eco-Friendly Options



Implication

As sustainability gains importance in festive shopping, brands that incorporate everyday sustainability into their festive value proposition, communicate transparently, and avoid greenwashing are better positioned to earn the loyalty of rising eco-conscious consumers.

Festive consumers of 2025 are well-informed, digitally influenced, value-centric, and cautiously aspirational. While GST reforms are likely to encourage big-ticket purchases, trust gaps remain around retailers' passing on the benefits to end consumers. Spending is rising, but prudence and price sensitivity are evident, especially in the premium segments.

Sustainability is emerging but not yet central to purchase decisions, as quality and cost both remain at the top of consumers' minds when buying from festival mega sales. Brands that deliver trust, value, and digital convenience, while aligning with emotional needs, are better positioned to win this festive season.

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