

Festive Shopping 2025: Online Spending to Soar 115%

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Urban Indian households are gearing up for a significant shift in their festive shopping habits this year. A recent report by LocalCircles indicates that online spending during the 2025 festive season is projected to increase by 115%, with overall festive spending estimated at ₹2.19 lakh crore.

Key Drivers of the Surge

Several factors are contributing to this anticipated surge in online festive spending:

- **GST Rate Reductions:** Recent cuts in Goods and Services Tax (GST) on white goods and electronics have made products like air-conditioners, refrigerators, washing machines, and televisions more affordable, encouraging consumers to make purchases ahead of the festive season.
- **Convenience and Variety:** E-commerce platforms offer the convenience of shopping from home, a wide range of products, and competitive pricing, making them attractive options for consumers.
- **Trust and Return Policies:** Improved trust in online platforms, bolstered by better return policies and customer service, has made online shopping a preferred choice for many.

Leading Categories in Online Festive Shopping

The LocalCircles report highlights that the top categories driving the online shopping boom include:

- **Gourmet Foods and Groceries:** With an emphasis on quality and variety, consumers are turning to online platforms for specialty foods and daily essentials.
- **Fashion:** Apparel and accessories continue to be popular choices, with consumers seeking the latest trends and festive collections.
- **White Goods and Electronics:** The GST reductions have made these items more accessible, leading to increased online purchases.

Regional Insights

In Andhra Pradesh, a LocalCircles survey found that one in four urban households plans to spend over ₹20,000 during the festive season. While traditional shopping remains dominant, online shopping is on the rise, encouraged by better selection, attractive offers, and ease of returns. Digital payments are also gaining traction, with 82% of consumers

preferring UPI, wallets, cards, and net banking over cash. The 2025 festive season is set to witness a significant transformation in shopping behaviors, with a marked shift towards online platforms. This change is driven by economic factors like GST reforms, as well as evolving consumer preferences for convenience, variety, and value. As e-commerce continues to play a pivotal role in the retail landscape, both online and traditional retailers will need to adapt to meet the demands of the modern consumer.

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