KPMG

The Festive Retail Pulse 2026

How a longer festive and wedding season is reshaping India's retail landscape

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Foreword

India's festive season has traditionally been an important barometer of consumer sentiment, discretionary spending and retail growth. Yet the festive retail story is becoming more complex while consumer appetite for spending remains evident, the factors influencing purchase decisions, the channels through which consumers engage and the expectations they place on retailers are undergoing a fundamental shift.

The defining change is not simply whether consumers are spending more or less, but how deliberately they decide where, how and why to spend.

The Festive Retail Pulse 2026 highlights this evolving consumer mindset. Shoppers continue to demonstrate an appetite for festive purchases but their decisions increasingly reflect a balance between aspiration, product quality, perceived value and convenience. Value is no longer synonymous with the lowest price, it is shaped by relevance, experience, availability and trust as travel and hospitality competes with the festive wallet.

At the same time the boundaries between physical retail, e-commerce, social commerce and quick commerce continue to blur. Consumer journeys are interconnected with discovery and purchase taking place across multiple touchpoints. Social platforms, creator-led engagement and AI-enabled recommendations add new dimensions to how shoppers discover and evaluate products.

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For retailers, this creates both opportunity and challenge. The ability to influence a purchase is becoming as important as the ability to fulfil it. Broad-based promotions alone may not be sufficient, retailers need greater intelligence in how they understand demand, personalise engagements, position inventory and deliver a dependable customer experience.

Technology and artificial intelligence could help connect customer intelligence with operational execution from demand sensing and inventory optimisation to recommendations, pricing decisions and fulfilment. Their value, however, must be measured in business outcomes, stronger conversion, inventory productivity, margin resilience and loyalty adoption.

India's retail market also resists a one-size-fits-all festive strategy. Purchase occasions, city tiers, generations and categories may require different propositions, stock choices and service models. Retailers that use the season to deepen consumer understanding and modernise connected operations will be better positioned beyond the festive peak.

Festive retail 2026 is therefore not simply a story of consumption, but of how retailers can respond to demand shifting across occasions, categories and geographies with greater intelligence and agility. The winners will not necessarily be those offering the deepest discounts or the fastest deliveries but those that understand consumers better, communicate value clearly and consistently deliver on their promises.

We hope this study provides retail and business leaders with useful evidence and practical questions as they prepare for the next phase of growth.

- Dr. Puneet Mansukhani

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Executive thesis

A longer festive season is expanding the opportunity, but fragmenting demand

India's festive economy is extending across regional celebrations, travel, weddings and year-end occasions. Consumers are also comparing value more deliberately and shifting spend across products and experiences.

Three signals capture this changing festive equation:

Sales momentum

+8%

Sep 2026 sales vs Sep 2025 among participating retailers

Intent

57%

plan discretionary festive purchases beyond routine household essentials

Selectivity

49%

say quality is a primary consideration

01	**Demand is spreading across the calendar**	The opportunity is no longer concentrated around Diwali. Regional celebrations, major festivals, weddings and year-end occasions create multiple demand peaks, each with distinct category dynamics.
02	**The festive wallet is being redistributed**	Apparel, home, electronics and jewellery now compete more visibly with travel, dining and experiences. Retailers therefore need to win a greater share of the occasion, not only their category.
03	**Intent does not automatically become conversion**	Consumers may discover early, but the final choice is shaped by perceived quality, price, availability, payment convenience, delivery confidence and service.
04	**Execution could determine who captures growth**	The advantage could lie with retailers that anticipate demand, localise decisions faster and connect marketing promises with inventory and fulfilment.

The next festive advantage could come from coordinating demand across occasions, locations and channels.

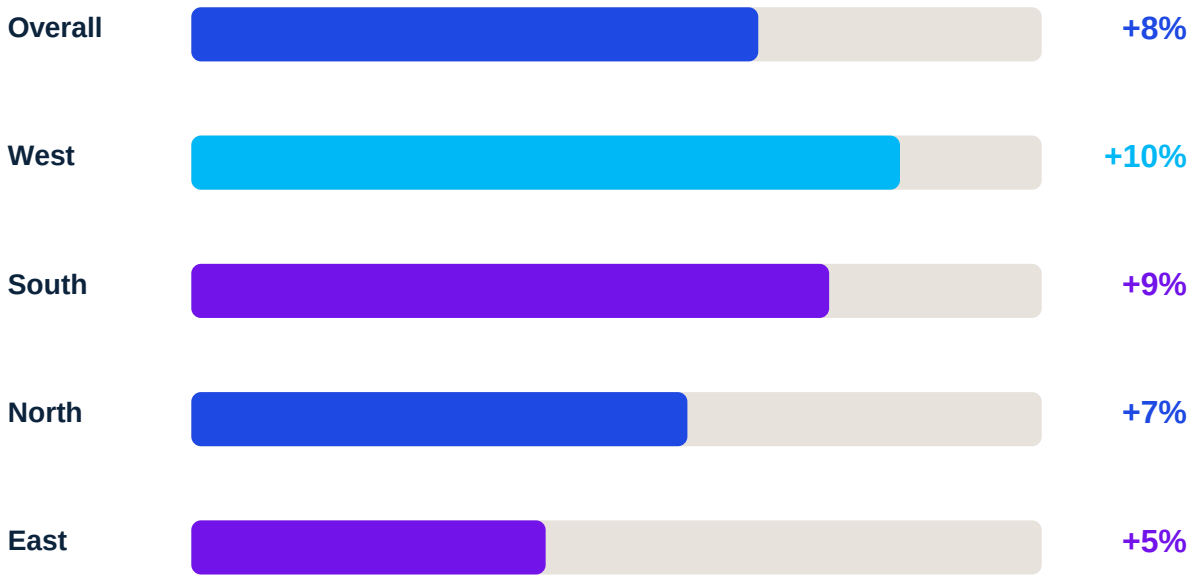
Sources: [1] Business Survey Round 75, Retailers Association of India, 2026, accessed November 2026. [2] Festive consumer survey 2026, LocalCircles, 2026, accessed November 2026. [3] India Festive Shopping Report 2026, YouGov India, 2026, accessed November 2026.

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01 | market pulse

Retail sales strengthened ahead of the main festive period

Retailers covered by the survey reported sales 8 per cent higher in September 2026 than in September 2025, with positive growth across all four regions.



The timing matters

September's growth came ahead of the main festive season.

Navratri began on 11 October in 2026, versus 22 September in 2025. This means the September comparison largely captures pre-festive momentum rather than the full impact of festive demand.

Broad-based regional growth provided a constructive starting point for the 2026 festive season.

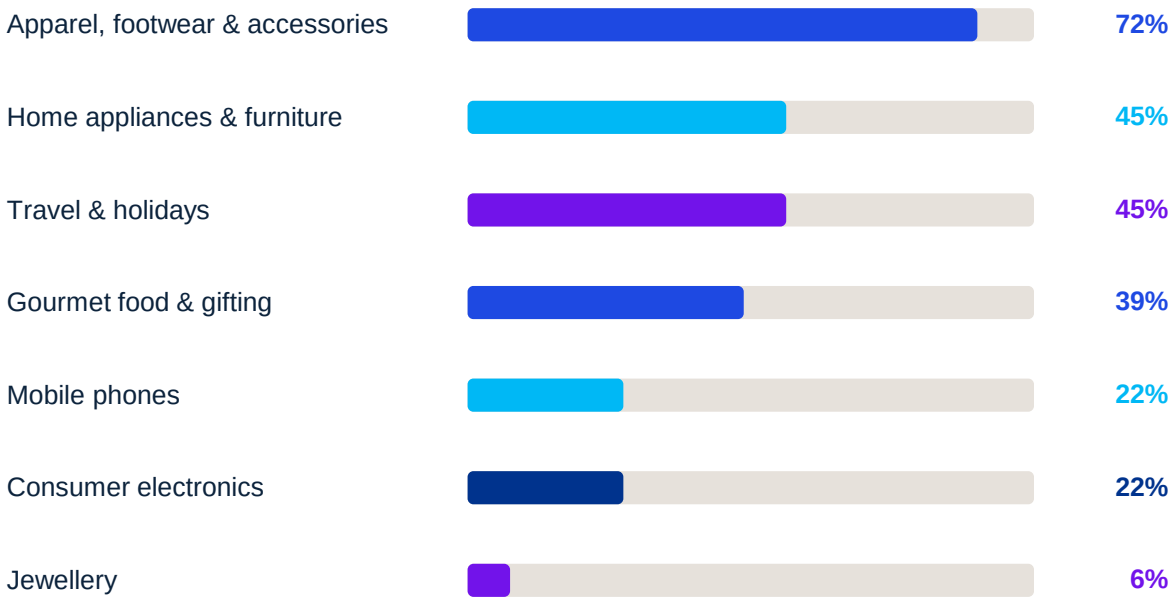
Source: [1] September 2026 sales vs September 2025 among retailers participating in RAI Business Survey Round 75. [2] Business Survey Round 75, Retailers Association of India, 2026, accessed November 2026.

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02 | category pulse

Apparel leads purchase intent, while home and travel compete for the next share of spend

In the cited urban-consumer survey, 72 per cent selected apparel, footwear and accessories. Home appliances and furniture, and travel and holidays, were each selected by 45 per cent.



GOLD: WHY VALUE AND VOLUME CAN DIVERGE

GOLD PRICE
+45%
YoY, Q3 2026

JEWELLERY VOLUME
-20%
YoY, Q3 2026

DEMAND VALUE
+3%
YoY, Q3 2026

The mix suggests that consumers are balancing visible celebration purchases with household upgrades and experience-led spending. For jewellery retailers, the priority is to protect participation and trust while managing pressure on volumes. Retailers therefore need to position the purchase within the occasion.

Sources: [1] Festive consumer survey 2026, LocalCircles, 2026, accessed November 2026. [2] Gold Demand Trends: India Focus Q3 2026, World Gold Council, 2026, accessed November 2026. [3] LocalCircles festive consumer survey 2026; more than 67,000 urban-consumer responses across 307 districts; multiple selections permitted.

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03 | mobility pulse

Consumer mobility could temporarily redraw the retail demand map

Festive travel could temporarily shift demand away from consumers' usual places of residence towards hometowns, event locations, cultural centres and holiday destinations, changing where categories are purchased and where inventory and fulfilment capacity may be needed.



Celebrating at home	Hosting supports food, décor, gifting and convenience-led purchases.
Returning to hometowns	Family visits redirect spending towards local stores, sweets, gifting and last-mile delivery.
Attending weddings	Travel, occasion wear, jewellery, beauty and hospitality converge around one event.
Visiting cultural centres	Festival and spiritual travel could lift local food, transport, accommodation and retail.
Taking festive breaks	Short holidays extend the wallet into hotels, dining, entertainment and destination shopping.

The commercial calendar should follow the full sequence of occasions, rather than concentrate investment around one sales event. Demand planning should reflect temporary population flows, not only consumers' permanent locations.

Source: [1] Festival-led travel trends, Thomas Cook India and SOTC Travel, 2026, accessed November 2026.

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04 | geography pulse

The 2026 festive opportunity extends well beyond India's largest cities

The cited 2026 festive playbook reports:

60%

New online shoppers

from Tier 2 and Tier 3 markets in the reported study

What this means

Wider reach

Digital reach is broadening, while local differences in price points, assortment, trust and delivery remain commercially important.

Festive conversion is won across the entire customer journey

Social platforms can shape early discovery, but the final purchase depends on how effectively retailers connect inspiration with clear value, available stock, reliable payment, fulfilment and service.

PURCHASE JOURNEY

End-to-end

Discovery, conversion, fulfilment and service must operate as one connected experience.

SOCIAL DISCOVERY

86%

seek social inspiration before purchase

HOW THE PROPOSITION MAY NEED TO CHANGE

METROS	Premium/value mix • convenience • experiences
TIER 2	Branded assortment • physical + digital conversion
TIER 3 / SMALLER CITIES	Price points • trust • delivery reliability
RURAL / SEMI-URBAN	Utility • distribution • local income sensitivity

Source: [1] Festive Accelerator 2026 playbook, Meta, 2026, accessed November 2026.

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05 | external forces

Global volatility can reach festive retail through costs, availability and confidence

India's domestic demand may remain resilient, but global developments can still influence festive retail through sourcing economics, energy and freight costs, product availability and consumer confidence.

TRADE & TARIFFS	Shifts in sourcing costs and import economics Can affect imported assortment, promotion flexibility and retailer margins.
GEOPOLITICS & ENERGY	Volatility in fuel, transportation and commodities Can raise replenishment and operating costs during concentrated festive demand periods.
SUPPLY-CHAIN DISRUPTION	Supply delays and potential stock shortages Can increase stock-out and service risks in time-sensitive festive categories.
CURRENCY / CAPITAL VOLATILITY	Higher costs for imports and materials Can create pricing pressure in electronics, appliances and other import-dependent categories.
EMPLOYMENT & CONFIDENCE	Income confidence influences festive spending Can affect ticket sizes, upgrade decisions and the mix of non-essential spending.

Build scenarios for cost, availability and demand confidence before festive inventory, pricing and promotions are locked.

Sources: [1] Monetary Policy Report, Reserve Bank of India, October 2026. [2] World Economic Outlook, International Monetary Fund, October 2026.

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06 | opportunity spaces

The opportunity remains meaningful, but growth is likely to be uneven and execution-led

Our view is that the extended festive and wedding season could continue to support demand, while elevated prices, budget trade-offs and greater category competition make the quality of growth more important than the headline rate.

01	Demand could arrive in waves	Create ways to participate without a major-ticket commitment.	Regional festivals, Diwali, hometown travel, weddings and year-end occasions could create several smaller and larger peaks.
02	Value may outpace volume	Build around repeat occasions, hosting and immediate consumption.	Premium mix and price inflation can support sales values even when consumers reduce quantities or move to accessible formats.
03	Experiences could compete with products	Treat experiences as a direct competitor for the festive wallet.	Travel, dining, entertainment and hospitality could claim a larger role in the festive wallet.
04	Non-metro growth is likely to remain local	Tune assortment, capacity and service to moving local demand.	Digital discovery could widen participation, while conversion could depend on local assortment, price architecture, trust and fulfilment.
05	Execution could separate the winners	Keep the festive operating model alive beyond Diwali.	Consumer intelligence, localised assortment, disciplined price ladders, dynamic inventory and dependable fulfilment could shape profitable growth.

The winners could convert a longer season into repeatable growth by responding faster and more precisely to moving demand.

Sources: [1] Business Survey Round 75, Retailers Association of India, 2026, accessed November 2026. [2] Festive consumer survey 2026, LocalCircles, 2026, accessed November 2026. [3] Festive Accelerator 2026 playbook, Meta, 2026, accessed November 2026.

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Leadership perspective

Connecting consumer understanding with operating agility

“India’s festive retail opportunity is no longer defined by a single spending peak. It is evolving into a longer, more dynamic cycle of consumption, with demand shifting across occasions, categories and geographies. For retailers, competitive advantage could lie in anticipating these shifts, influencing consumer choices and responding with agility. Those who combine consumer intelligence, technology and operating excellence will be best positioned to translate festive demand into sustainable and profitable growth.”

Dr. Puneet Mansukhani

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