# Retail trends

Adapting to a new consumer landscape?

# In this report

From shifting consumer values to economic uncertainty, the retail sector in 2025 seems to be a ship heading for stormy waters. Retailers need to navigate changing expectations and tech-driven transformations, while still offering their customers a personalized experience and value for money. With every purchase now carrying more weight, the challenge for retail brands is staying relevant, responsive, and rooted in what really matters to consumers.

We're diving into some of the biggest trends that are shaping the landscape right now, including what people expect from their shopping experience, where they're pinching the pennies, and what brands need to prepare for ahead of the big retail events of the year.

**SHAUNA MORAN**
DATA JOURNALIST

**CAITLIN NUTTALL**
CONTENT MARKETING MANAGER



## Methodology & definitions

All figures in this report are drawn from **GWI's online research** among internet users aged 16-64 or 16+. Our figures are representative of the online populations of each market, not its total population.

Note that in many markets in Latin America, the Middle East and Africa, and the Asia Pacific region, low internet penetration rates can mean online populations are more young, urban, affluent, and educated than the total population.

When reading this report, please note that we focus on data from our ongoing global quarterly research, but also refer to our monthly Zeitgeist studies across 11 markets and our Moments data set, which surveys over 6,000 Americans annually.

Please note, our social media stats exclude China, which has a unique social media ecosystem and affects our overall global figures.

# Key insights

## 1

### Tight wallets, high expectations, and shifting priorities

Persistent inflation and rising prices for essential goods have led to decreased consumer confidence, making shoppers more cautious about their spending. How they purchase products is shifting too, and brands need to understand their customer's behavior to be able to adapt to the new landscape. Supply chains are also coming under scrutiny from consumers, with new tariffs changing the global retail space.

## 2

### Shelves, screens, and social feeds

The battle for shoppers' attention between in-store, online, and social isn't a single winner takes all fight. Brands need to shift their strategies to an "everywhere and anywhere" approach that meets consumers where they're at, be it researching on social, convenient delivery, or experiential shopping in-store. Omnichannel isn't just nice to have, it's essential to a retailer's survival.

## 3

### Eco meets economy

Consumers can't afford to put their eco sentiments ahead of costs in today's economy, but it doesn't mean they don't care. Brands need to meet the dual expectations of environmentally and financially conscious consumers by changing their approach to sustainability. Incorporating messaging around durability, reliability, and cost saving alongside eco credentials is sure to go a long way with today's shoppers.

## 4

### Retail's AI makeover

AI is everywhere - and savvy retailers are going beyond campaign planning. They're pairing machine learning with deep consumer insights to enhance every stage of the buying journey. From personalized campaign creation, to bespoke discounts and offers, AI isn't just saving money and resources, it's reviving brand strategies and boosting their relevance in an increasingly overcrowded market.

## 5

### The big spend seasons

Planning for the big events in the retail calendar goes beyond analyzing past purchase behavior and offering discounts to cash-strapped shoppers. Brands need to understand how global trends are coming into play, know exactly what shoppers are looking for at shopping events like Black Friday and Christmas, and where consumers are looking to splash their hard-earned cash.

01

# Tight wallets and high expectations

When we look at consumer sentiment around spending, it's a pretty gloomy picture. Rising costs are continuing to reshape shopping behaviors, and global economic trends are amplifying the pressure.

Persistent inflation and rising prices for essential goods have led to decreased consumer confidence, making shoppers more wary about their spending.

79%
say they're being cautious with spending

66%
wait for products to go on sale

41%
describe themselves as price-conscious

**USA**
55%
of Americans estimate spending at least half of their income on bills or expenses

**UK & USA**
33%
of US and UK consumers expect the economy to worsen in the near future

## Buy less, buy better

With disposable income shrinking, every purchase feels more meaningful - and brands need to work harder to earn it. Consumers are less focused on keeping up with trends, or with their peers, and are making purchase decisions on a more practical level. Features that enhance usability, durability, and performance are particularly appealing to consumers during uncertain times.

## Sticker shock and supply chains

Many consumers are taking a "wait and see" approach to tariffs. With everything having kicked off in the US, 50% of Americans are unsupportive of governments introducing tariffs on other countries - and they're more opposed to it than consumers in any of the other global markets we surveyed. In other countries, people are less decided, with 30% in the UK against them.

While people are figuring it out, tariffs are making them think about global supply chains. We're seeing a strong preference for homegrown goods, with some consumers likely wanting to support their national economy more.

Attitudes vary depending on the product category, and foreign goods may still see strong demand due to brand reputation and category expertise, even with higher prices.

A massive 93% of Americans prefer to buy food and drink made in the US, possibly because they believe national safety standards are stricter and shorter supply chains means the food is fresher. 90% are looking for US-made fashion too, with international clothing options getting much less love.

**% of American shoppers who prefer the following international brands**

18%
EU brands

16%
UK brands

15%
Canadian brands

Despite Europe's stylish reputation, Americans want their wardrobes to stay close to home.

On the other hand, homegrown products are less of a priority when it comes to automobiles, alcoholic drinks, and personal electronics – with foreign brands like Samsung well-established here.

Over in Europe, it's a similar story. Consumers in France, Germany, and Italy overwhelmingly prefer to buy food and drink (82%) from EU markets, as well as home goods (81%), fashion (79%), and skincare (78%). These figures reflect the global reputation and heritage of European beauty and fashion brands, with France in particular continuing to set the standard in skincare and cosmetics.

Yet, this drops to 65% for personal electronics in these markets, and 76% for automobiles, with some international manufacturers offering comparable quality at lower price points.

So, if you're a global brand looking to grow, celebrate your roots where they count, but don't be afraid to tailor your message for each market - because what wins in the US won't always turn heads in Italy.

02

# Changing lanes: The new path to purchase

While it's true many are being more cautious about how and where they spend their money, it doesn't mean they're not spending at all.

Spending is shifting - not just in how much people pay, but in what they're spending on and where they're buying it. Smaller value items, such as groceries, household, and alcohol are increasingly being purchased online by consumers, whereas pre-Covid these were mostly bought in-store.

The opposite is true in other sectors. Online car buying saw a spike in 2019 - but by 2022, that trend had already reversed. Turns out, convenience only goes so far when it comes to big, complex purchases, and virtual showrooms aren't cutting it. People want to see, touch, and test drive before they buy. For brands, it's a reminder that data-driven insights are key: knowing what truly matters to your audience helps you invest in the parts of the experience that actually move the needle.

## Where the money moves

% of consumers who purchased the following in the last month/3-6 months who say they did so online

| % | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|---|---|
| Fashion, apparel & accessories | 54 | 51 | 49 | 50 | 49 | 51 | 52 |
| Electronics | 43 | 43 | 44 | 44 | 42 | 42 | 43 |
| Travel & leisure | 38 | 38 | 32 | 30 | 30 | 33 | 34 |
| Personal care | 37 | 36 | 35 | 38 | 39 | 41 | 44 |
| Grocery | 36 | 36 | 37 | 40 | 41 | 42 | 44 |
| Home & furniture | 30 | 30 | 30 | 32 | 30 | 31 | 34 |
| Household shopping | 26 | 26 | 27 | 28 | 29 | 30 | 32 |
| Finserve | 25 | 27 | 26 | 26 | 26 | 26 | 28 |
| Alcohol | 19 | 19 | 20 | 22 | 21 | 21 | 22 |
| Auto | 13 | 15 | 14 | 15 | 14 | 12 | 12 |

Interestingly, despite the common perception that travel bookings happen mostly online, our data shows a sizable share of these purchases are still made offline. In fact, online travel bookings haven't bounced back to pre-pandemic levels - and today, they account for less than half of all travel and leisure purchases online in the last 3-6 months. It's a clear sign that many travelers still value the personal touch - whether that's speaking to an agent or getting hands-on service - or perhaps their habits just haven't shifted back to digital yet.

Electronics have long been a leading online category, but our data suggests it's hit a ceiling. The share of buyers purchasing electronics online has barely shifted since 2018, showing little impact from Covid or recent e-commerce trends. Now overtaken by other categories, the industry may need to rethink its approach. With most online-ready shoppers already engaged, future growth likely depends on improving the experience - through better service, support, or innovation - rather than simply driving more traffic.

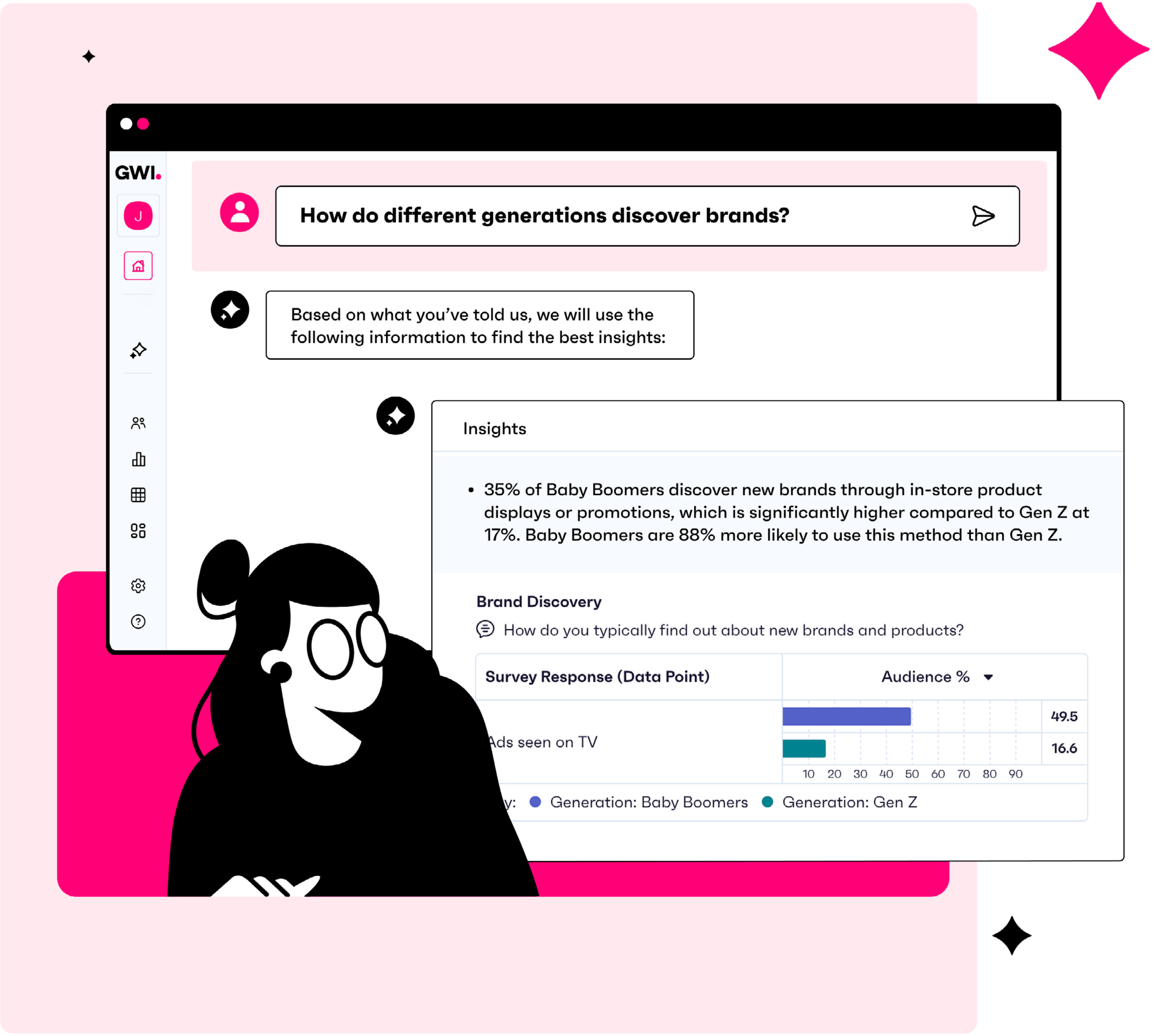
## The retail remix

Europe and the US are really driving that push towards smaller buys made online. In both regions, the share of buyers who purchased grocery and household items online grew by over 60% since 2018. In Latin America, online purchases of household items grew by over 100% in the same time period, for grocery it grew 70%.

Alcohol is also catching up. Since 2018, the share of consumers making online alcohol purchases has surged - up 122% in MEA, 60% in the Americas, and 23% in Europe. That's a major shift in a category long dominated by brand loyalty and traditional, in-person buying habits.

But while consumers increasingly turn to digital platforms out of convenience and curiosity, many alcohol companies are still relying on point-of-sale volume data from bars, restaurants, and supermarkets, gaining little insight into the people behind the purchases, or why they're making them.

Alcohol retailers have a real opportunity to turn today's online surge into long-term growth - but it starts with better insights. By tapping into rich, on-demand consumer data, they can stay ahead of evolving tastes, occasions, and preferences, making smarter moves to meet demand.




## Meet your AI assistant, GWI Spark

Fast insights. Big impact. Zero guesswork. GWI Spark is changing the game for marketers, sales people, and brands everywhere by giving you real audience insights from 50+ markets in just a click.

Try GWI Spark for free

03

# Shelves, screens, and social feeds

The lines between in-person and online shopping channels have blurred, and shoppers are moving between them without missing a beat. But it can be hard for brands to keep up - or know where to invest their budget and efforts.

One thing we know for sure: the integration of digital channels with physical stores is becoming essential. Brands need to create seamless, immersive experiences that allow consumers to interact with products both online and offline.

## In-store

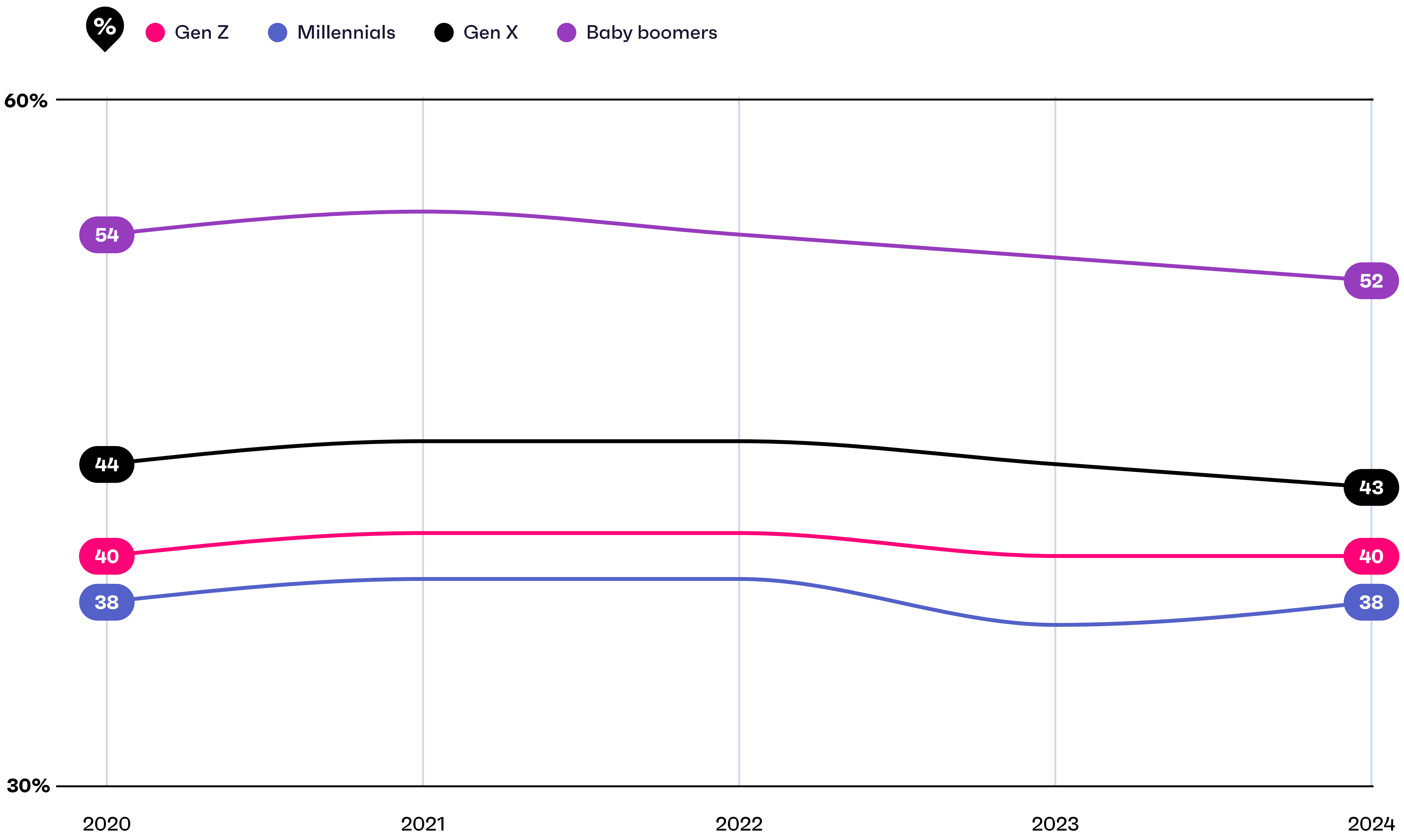
In-store shopping is holding its ground - even after the online surge during Covid. Despite all the predictions that online would take over, people are just as likely to prefer shopping in-store today as they were during the pandemic. Clearly, brick-and-mortar still has strong appeal. And some of the groups hitting the high street might surprise you.

Gen Z are just as likely to enjoy shopping in-store as they were in 2020, and the real surprise? They're ahead of millennials when it comes to in-person purchases. So the belief that older generations are the only ones championing in-store shopping is actually a bit of a misconception.

23% of consumers still discover new products through in-store displays, and there's lots of factors at play that are getting shoppers off the couch and into stores.

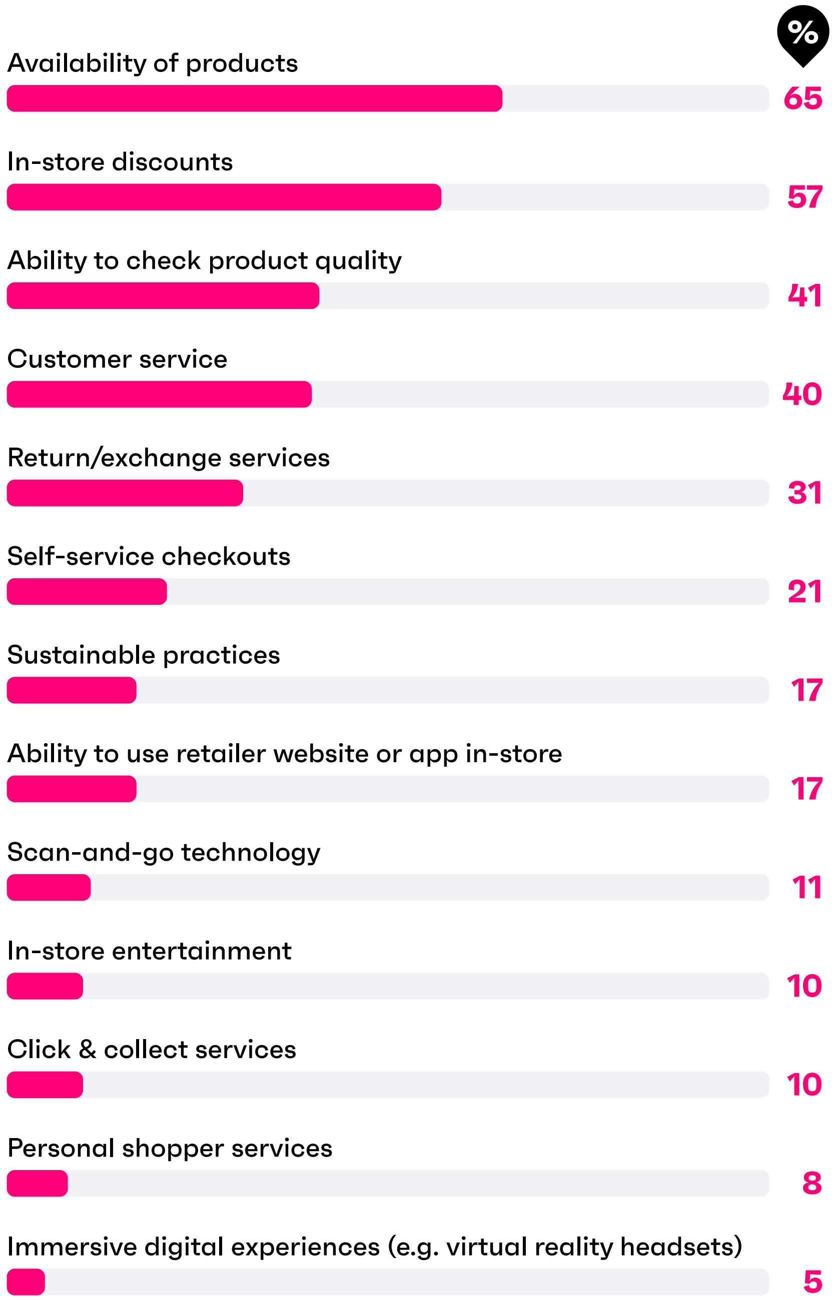
### Gen Z are even fonder of in-person shopping than millennials

% of consumers who say they typically prefer to shop in-store than online



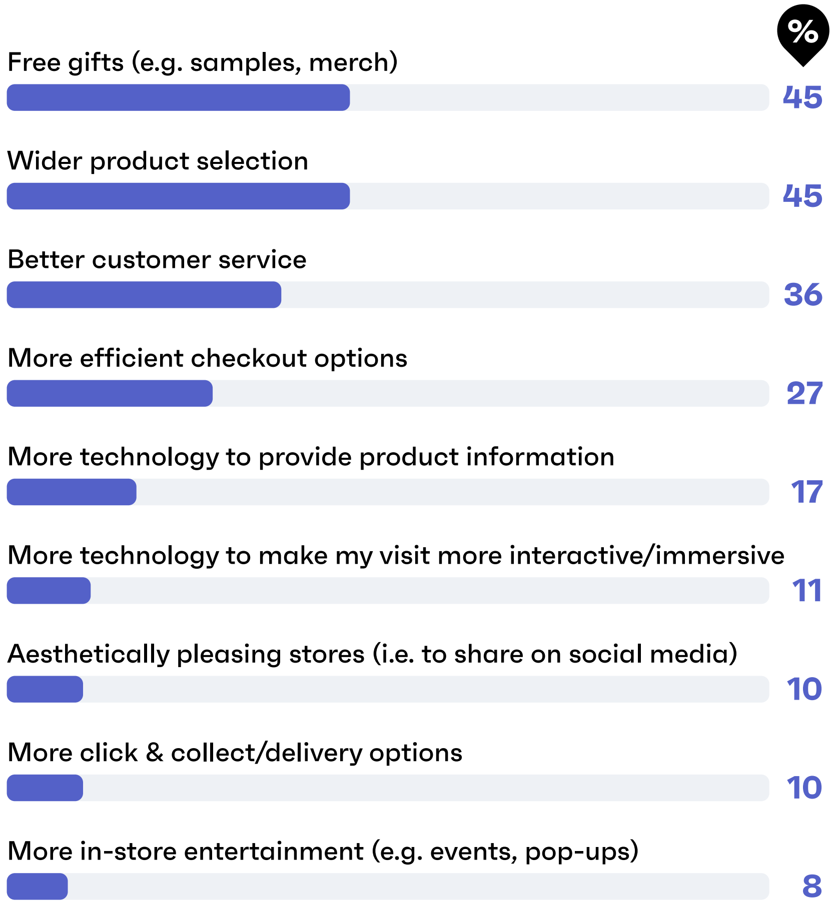
# Consumers want the pick of the crop when shopping in-store

% of consumers who say the following is most important for their in-person shopping experience




# Free gifts will get people in-store

% of consumers who would like to see more of the following when shopping in-store



## Online

On the flip side, 58% of global consumers prefer to shop online, making it the most popular path to purchase, but who's "adding to cart" the most?

Millennials have always been ahead for online shopping, and they still take the top spot when it comes to liking it. The kicker here is that most other generations haven't really changed in this sense since the pandemic, and some are even preferring online options less over time. So what do consumers want when they shop online? 51% are most motivated to buy by free delivery, making it the top purchase driver. Meanwhile, only 14% prefer click & collect when shopping online, with next-day delivery (28%) being a much better way to meet the demand for convenience.

Over half (51%) of consumers research products online before buying them, showing that social proof plays a significant role in decision-making. And 32% are most motivated to promote their favorite brand online after receiving great customer service. That means every positive experience has the potential to turn into advocacy. Brands that can build this into their strategy from the start won't just win trust - they'll boost sales too.

Omnichannel isn't just smart, it's business critical to retailers. Whether it's QR codes in-store or product drops on TikTok, consumers expect fluidity. Smart brands will build shoppable ecosystems, not just sales channels.

## On social

Actual use of features like Instagram Shopping Bag is still relatively low (7%), suggesting there's interest - but also friction when it comes to social shopping. And the key to overcoming it lies in understanding what's going to get consumers over the line.

25%

use TikTok to find information about brands or products

44%

use Instagram for this kind of product inspiration

04

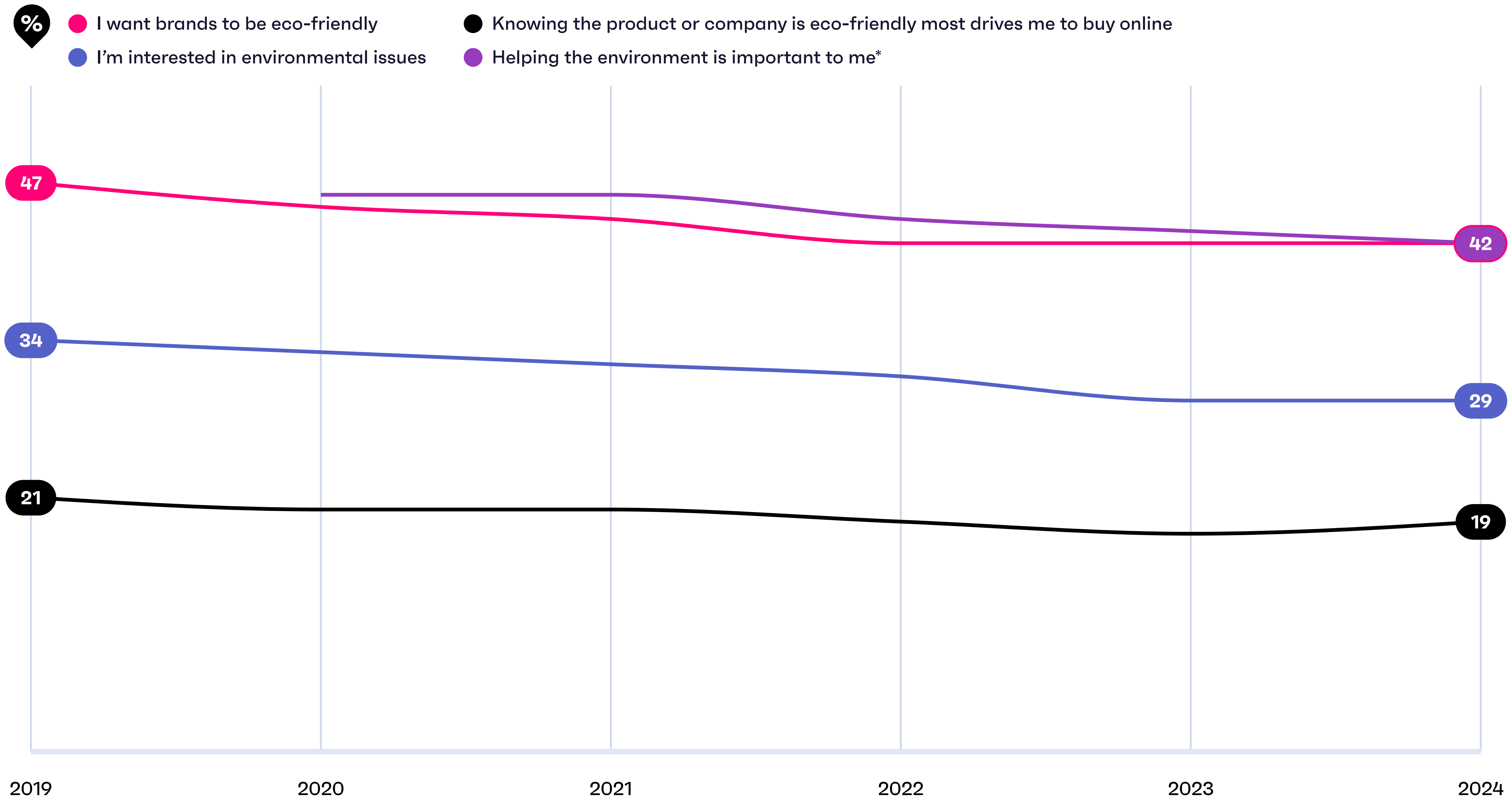
# Eco meets economy

Sustainability has been a huge talking point in retail for years, with many brands implementing eco-friendly practices and making promises towards environmental responsibility. But in 2025, consumer behavior is proving one thing loud and clear: cost is king.

42% of global consumers want brands to be eco-friendly, but only 19% are more likely to actually buy if the product is environmentally friendly. So what's the big purchase driver for consumers? It's usually product quality and price. For example, when buying household essentials, more consumers say product price (55%) and performance (51%) matter than eco-friendless (30%).

## Eco concerns are down

% of consumers who say the following



Globally, interest in environmental issues, eco-friendliness as a purchase driver, and the desire for companies to be eco-friendly have all trended down since 2019.

This value-action gap is highlighted in Europe, where there's been a 17% drop since 2021 in people saying helping the environment is important, and a 9% rise in those saying they use reward programs. With many feeling the pinch, consumers can't afford to stick to their morals so closely, and need to prioritize value over all.

What does this mean for retailers? Well, while sustainability messaging is still key when it comes to brand positioning, offers that meet practical, financial needs will convert better. Brands that offer sustainable, cost-effective, and long-lasting products - and market them with a needs-first approach - will resonate better.

17%

drop since 2021 in people saying helping the environment is important

05

# Retail's AI makeover

AI is fast becoming a fundamental tool for smarter retail marketing, with brands increasingly using AI to analyze consumer behavior, optimize campaigns, and to generate content. But is there more they can be using it for?

## Personalization is the word for 2025 in retail

26% of consumers want brands to offer customized products, and 42% want brands to listen to their feedback. This is where AI comes into play. For many years, brands have offered suggested products and items based on browsing history or past purchases.

But pairing AI with real consumer research can help brands build better, smarter campaigns much faster. For example, a fashion retailer could create a curated capsule collection or bundle based on a customer's taste, preferences, and budget. Brands could run AI-powered quizzes on their homepage, TikTok account, and Instagram Stories, then pair this with consumer research to recommend their product collection. They could then use dynamic retargeting ads to remind people of their personalized picks, encouraging engagement and repeat visits. Tie all this into a limited-time discount to drive urgency and you've got yourself an AI-fueled personalized campaign that's sure to win big.

## Smart retail gets smarter

One of the key elements to personalization goes beyond simply matching consumers with something that's relevant to them; it's about making them feel special. And the way for brands to achieve that is through exclusivity.

39% say that coupons and discounts would increase their likelihood of making a purchase online. AI can play a role here too in automating personalized discount offers to boost sales. Add to that the fact that 14% are more likely to buy a product online if it offers exclusive content or services, and we're seeing clear potential for AI to power loyalty-driven offers.

Brands that understand consumer data goes hand in hand with their AI tools will come out on top when it comes to the battle for consumers' hearts and wallets.

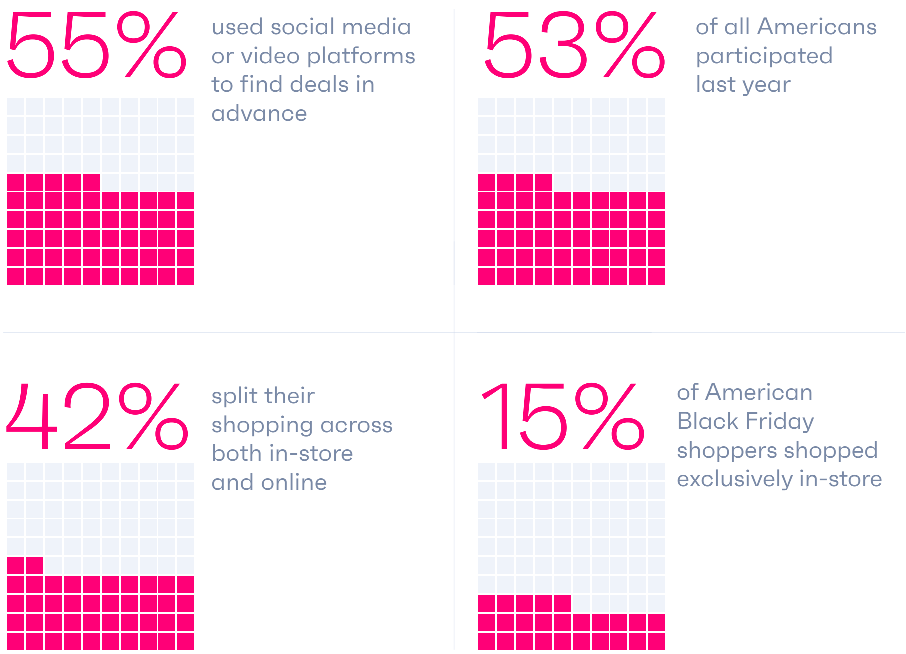
06

# The big spend seasons

## Moments that move the needle: Black Friday

Big shopping moments like Black Friday, Cyber Monday, Christmas, Back-to-school, and even Fashion Week continue to dominate retailers' calendars, but shoppers have become savvy and selective with their spending.

Take a look at how Americans engage with Black Friday




Consumers are being strategic in their purchasing. When they know they can get a good deal - they're looking to make the most of it. Half of recent Black Friday shoppers said they started planning for Black Friday at least a week before, and 27% say they started at least a few weeks in advance.

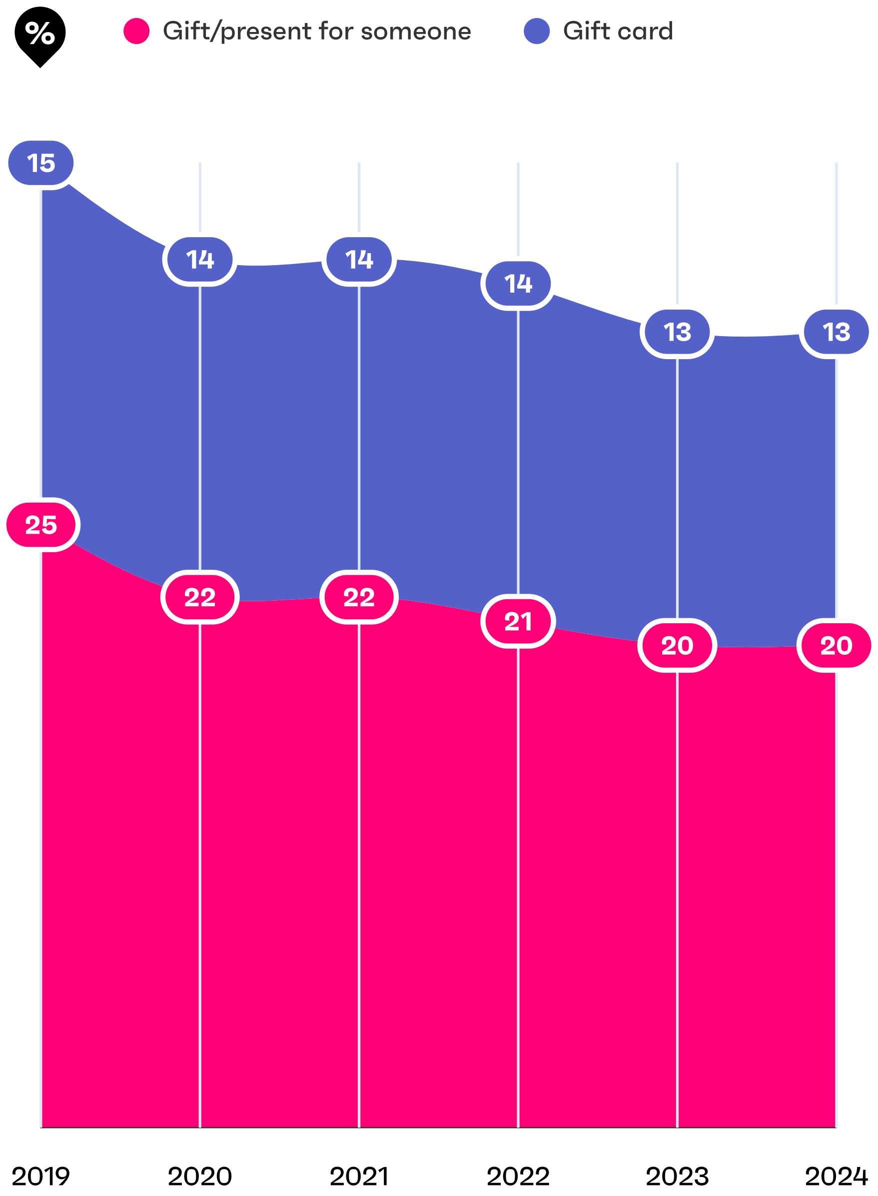
A quarter spent $101-$250, and almost as many spent $251-$500, often focusing on medium-priced categories like fashion, electronics, and entertainment. But there were a few making big purchases, with around 8% using Black Friday as an opportunity to buy luxury items like designer bags. And the real surprise: men were ahead of women in the US for purchasing in this category, a real switch round from the norm.

Men made up a bigger share of people buying luxury during Black Friday 2024 globally too, and 30% of all men bought clothes during the event. So these insights aren't exclusive to the US.

Here's another way consumers are using Black Friday to their advantage: they're buying gifts. In fact, back in August 2024, 40% of Black Friday shoppers were planning to buy a gift for either someone else or themselves during the upcoming event. And this matters because gift-buying has generally taken a hit – which makes seasonal shopping moments such as these even more valuable to retailers.

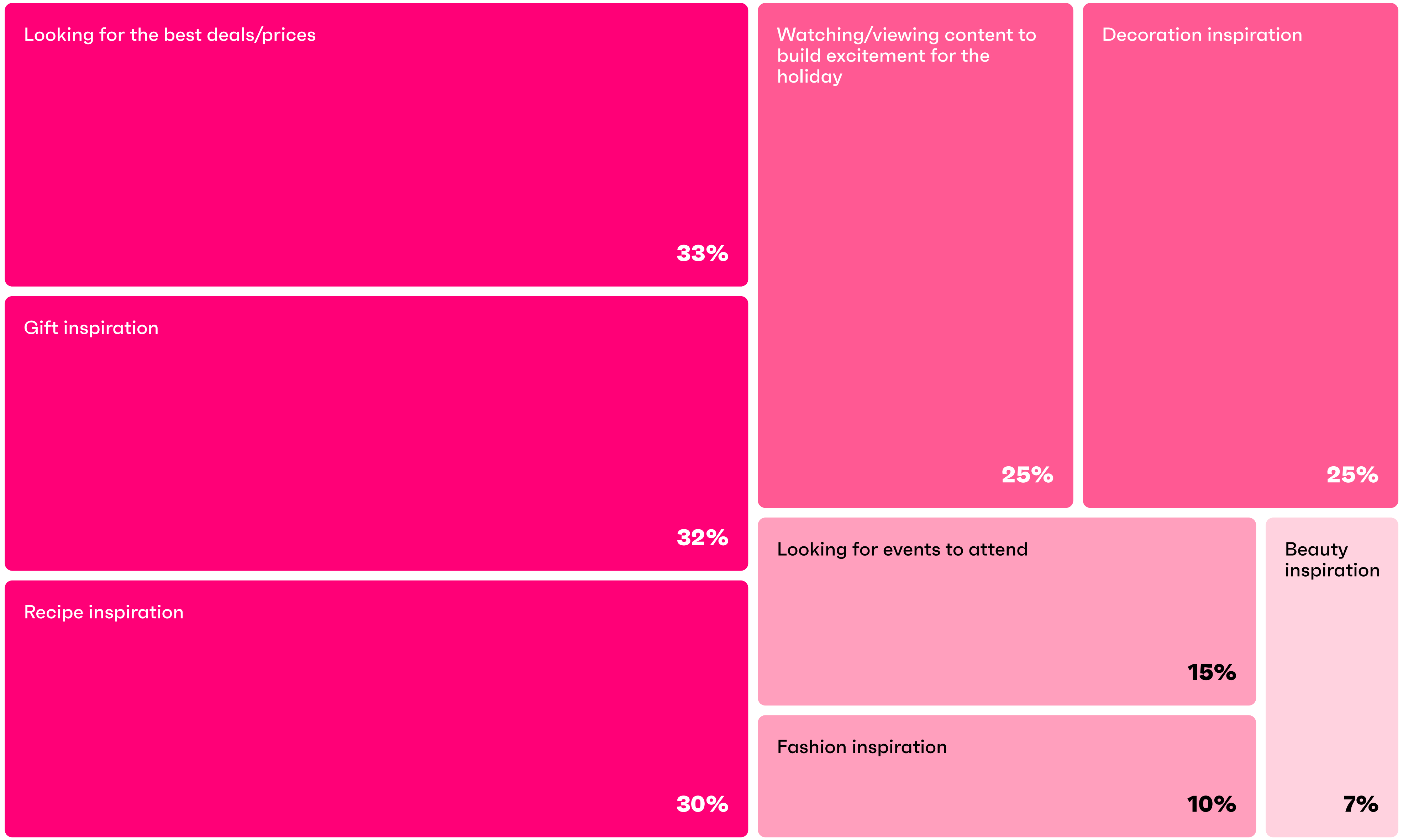
## Gift-buying is generally down

% of consumers who say they've bought the following in the last month




## Christmas shoppers use social media for all kinds of inspo

% of Americans who plan to take part in Christmas in the next 12 months and intend to **use video/social platforms for the following**




## Moments that move the needle: Christmas

Consumers aren't planning their Christmas in advance as much as you might think. 64% of Americans begin planning a few weeks to a month out, with married people leading the charge, and Gen Z being notoriously last-minute. But it's not so much when consumers start their planning that brands need to pay attention to, it's how they're going about it. When it comes to what matters most to scrollers during seasonal periods, it's deals and gift inspo, which many discover on social media.

Retailers need to deliver campaigns across multiple digital channels, with strong social proof and value-led messaging to resonate with their target audience. Consumers are looking for more than just good products, and brands that offer that emotional connection around the season by giving ideas and recommendations are sure to win audience loyalty.

Want to drive more value from your seasonal marketing campaigns? Start by thinking like your customers.

Stay close to your audience. The most effective brands invest in consumer research to understand when their audience starts planning purchases - so they can meet them at the right moment with the right message.

Timing is everything. Align your campaigns with the actual planning and decision-making stages of your customers - not just the dates on the calendar.

Make your promotions visible. Don't wait for customers to find you. Share your advertised offers early and often across your social channels, and make sure the value is crystal clear.

Brands that get this right - by listening closely to consumer behavior and acting on it - are far more likely to capture attention and spending.

# Final thoughts

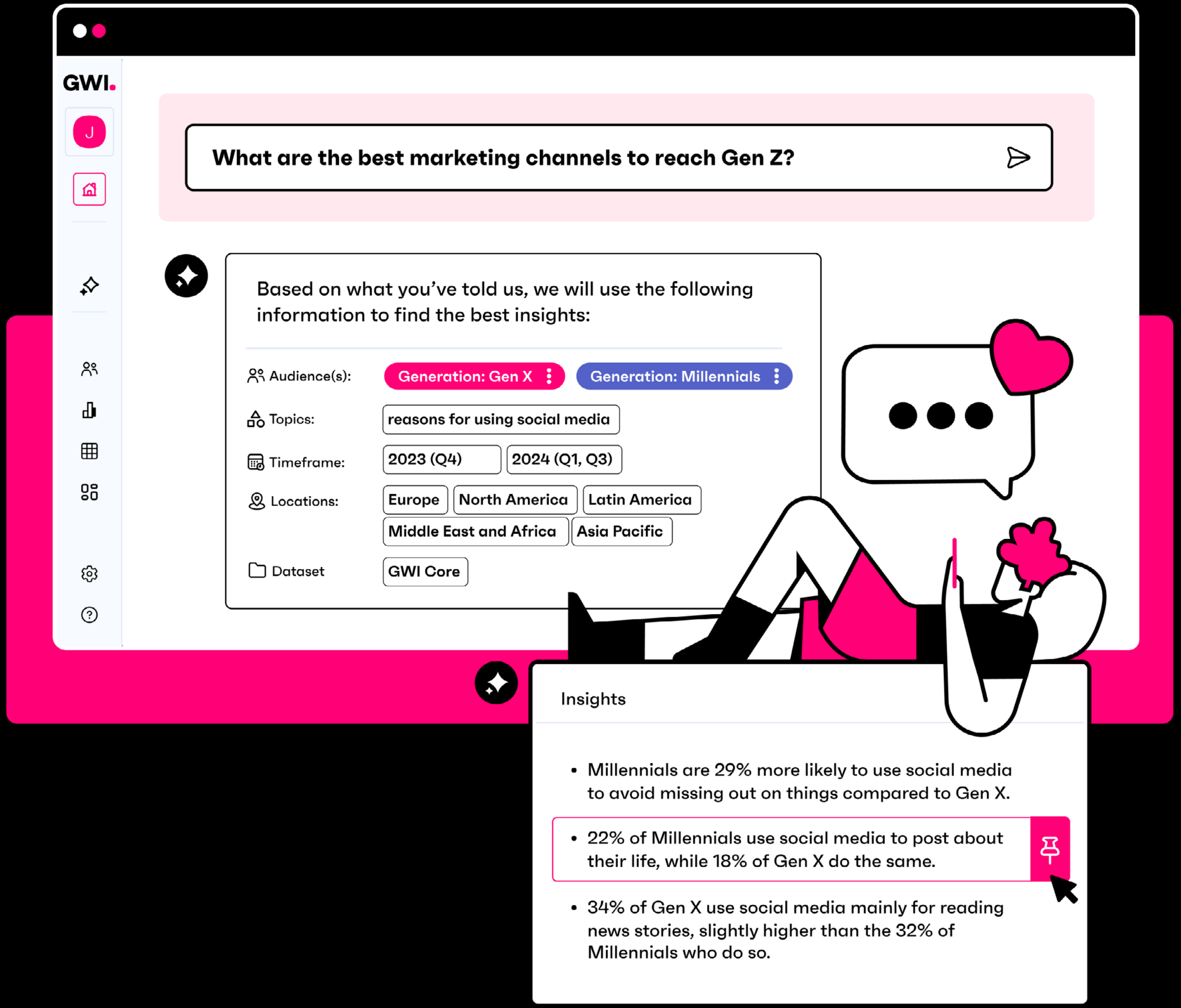
In 2025, the retail game is all about understanding what really matters to consumers, and delivering on it. While AI and immersive tech open new doors to retailers, the fundamentals of price, trust, and convenience are absolutely pivotal for brands looking to stay relevant and succeed in this space.

Marketers who balance innovation with empathy, and data with storytelling, will be the ones who win in this new retail reality.

# Want to know more?

Dive into GWI Spark for an even deeper understanding of the big shifts in retail spending, and how to meet your customers' expectations, retain their loyalty, and attract new audiences.

Try GWI Spark for free



GWI.