An Examination of Possible Future Retail Trends

By Amy Wolff Sorter

The retail sector experienced an interesting 2024. Continued tight vacancies vied with bankruptcies. Meanwhile, still-high prices and overall economic and political uncertainty meant a mixed bag for consumers and shopping.

Placer.ai's whitepaper, "Retail Trends to Watch in 2025," examined significant retail trends in 2024, which formed the basis of what could happen in 2025. The key takeaways from the whitepaper include the following.

Discounters Hit a Growth Ceiling

The Placer.ai analysts said that dollar stores and discount retailers have benefitted from economic volatility. However, slowing foot traffic might call for readjustments. "We see this as a return to the middle—and an opportunity for discount chains to rethink their offerings and operations," the whitepaper said.

Quality and Value Remain Important

Consumers continue seeking out bargains without sacrificing quality. Retailers offering affordable specialty products and different experiences are rewarded with higher foot traffic. The whitepaper singled out Trader Joe's, which "constantly updates its unique private-label mix." Also mentioned was Chili's, which "offers an FSR experience at a QSR price point" as another example of a retailer combining quality and value.

Convenience Still Reigns—Sort Of

The Placer.ai analysts said shoppers are making shorter trips to grocery stores and are willing to travel further to find specialty items. On the other hand, "consumers are flocking to restaurants that harness tech to speed things up," the white paper said, mentioning that Chipotle's avocado-peeling robot and McDonald's automated restaurants are drawing crowds.

Formats—and Markets—Go Smaller

The whitepaper explained that retailers like Macy's are introducing smaller stores and layouts to boost their share of local weekday visits. Meanwhile, home improvement brands like Harbor Freight Tools and Ace Hardware continue introducing fewer square feet to serve smaller-growth markets.

Legacy Brands Return

The hot legacy brands of the 1990s and 2000s seemed to go into hibernation during the 2010s and

early 2020s. But brands including Gap, Abercrombie & Fitch and Anthropologie are starting to turn things around, and this could continue in the coming year.

Millennials Remain Important

While millennials are growing older, Placer.ai analysts believe this cohort remains a "coveted demographic." Because of this, chains like Sam's Club and Taco Bell offer age-specific and nostalgic goods and services to reach out to more young adults.