

4 more retail predictions for 2025

Article



While our analysts have shared [their major trends for the year ahead](#), the newsletter team has a few additional thoughts.

In 2025, we think [retailers](#) will focus on personalized in-store experiences and technology to boost foot traffic and engagement while Amazon brings its AI assistant, Rufus, to brick-and-mortar locations. Discount retailers will struggle to retain customers, leading them to diversify or launch marketplaces to stay competitive.

Here are our predictions for 2025.

More retailers will offer free customized experiences like in-store styling to increase foot traffic

Value drove physical retail in 2024, with discount retailers like Aldi and Five Below frequently making [Placer.ai's top 10 list of retailers](#) by visit growth.

But value isn't just about price. In 2025, brick-and-mortar retailers will offer more personalized experiences to keep shoppers spending more time and money in-store.

- In-store styling, traditionally offered by luxury department stores, may become more popular among fast-fashion brands, with some help from [technology](#).
- For example, H&M's SoHo store in New York City features smart mirrors in the fitting rooms that can identify customers' products and provide personalized recommendations.
- We may also see big-box retailers plan in-store experiences around major shopping holidays, like Target did with its [personalization stations](#) during the back-to-school season.

Brick-and-mortar stores still account for 82.9% of US retail sales, per our forecast, but their share is shrinking slowly. Retailers wanting to keep consumers shopping in-person in 2025 must go beyond price to offer personalized, engaging in-store experiences.

Amazon will bring Rufus in-store

After years of opening and closing brick-and-mortar stores, [Amazon](#) has refined its physical retail strategy, [focusing on its grocery business](#) via Amazon Fresh and Whole Foods Market stores.

- In its early days, Amazon Fresh struggled to figure out where technology fit best into the shopping journey.
- But after rethinking the store design and [removing the Just Walk Out technology](#), Amazon seems to have found the right balance between tech and the [customer experience](#).

But in 2025, we expect Amazon to renew its efforts to bring its shopping tech in-store to Amazon Fresh and Whole Foods.

- Rufus, Amazon's generative AI-powered shopping assistant, became available to US shoppers on Amazon.com and the Amazon [mobile](#) app in September 2024.

- Amazon's next step may involve integrating Rufus with its Dash Cart, which lets shoppers scan items as they go, search for products in-store, and see their running total.
- Amazon could also create Rufus-powered kiosks and place them across major departments for shoppers to use while shopping.

In addition to making the shopping experience more seamless, incorporating Rufus or other technologies in-store could help Amazon grow its [retail media network](#), which we forecast will reach \$47.52 billion in the US this year.

Discount retailers struggle to retain grocery customers

In 2024, we predicted off-price and discount retailers would struggle to retain customers gained amid high inflation ... if the economy improved. Because we were (mostly) right, we're doubling down with a slightly more specific prediction.

In 2025, discount [grocery](#) retailers like Aldi or Dollar General will lose their footing with consumers as other retailers offer more convenience, value, or variety.

- [Walmart](#) Inc. will amass \$69.60 billion in US grocery ecommerce sales this year, making it the top grocery retailer by ecommerce sales, per our forecast.
- Amazon is second with \$49.77 billion in US grocery ecommerce sales, followed by Instacart (\$35.35 billion) and The Kroger Co. (\$19.07 billion).

In response to losing grocery share to other retailers, discount retailers may focus on other categories, like beauty, apparel, or toys, to maintain sales.

Which leads us to our last prediction.

Dollar stores launch third-party marketplaces to stay competitive

US retail marketplace ecommerce sales will increase 10.3% in 2025, reaching \$516.48 billion, per our forecast. While Temu, Amazon, and Walmart will drive most of the growth, there's still room for growth.

Just ahead of the new year, [Lowe's](#) and [Best Buy](#) each announced plans to launch third-party marketplaces. And we think dollar stores may be next.

- Third-party marketplaces can help dollar stores offer a wider product selection and price points without hosting the inventory themselves, which could prove useful in the fight for

more consumer dollars.

- However, ecommerce isn't traditionally a strong suit of dollar stores, so it may require additional investments in technology and talent to create a functional, user-friendly experience.

This was originally featured in the Retail Daily newsletter. For more retail insights, statistics, and trends, [subscribe here](#).