TREND REPORT

March 2025

We compiled these trends from over **100 brands,** comparing year-over-year data for the date range February 1, 2025, to February 28, 2025.

This industry update is brought to you by:

cohereOne

As the premier direct-to-consumer marketing partner serving Retail Brands, CohereOne's insights and experience grant us an unrivaled depth of visibility into the industry's performance. Our team of marketing professionals has broad experience and a track record of successfully launching or growing consumer-facing brands.

J.SCHMID

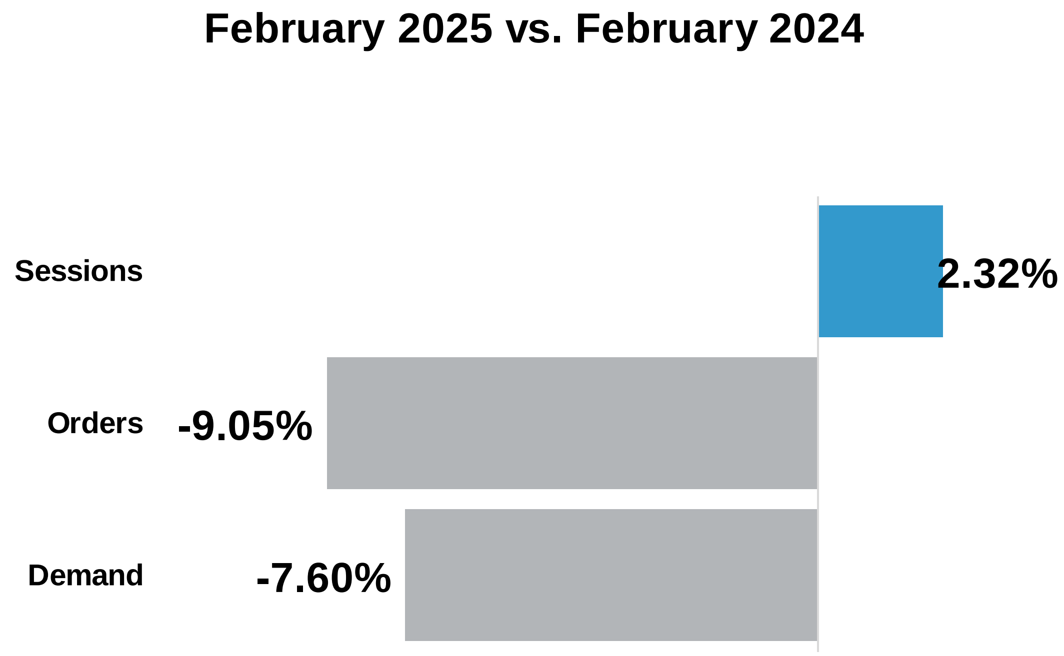
J.Schmid is a creative and branding agency that helps brands harness the power of human emotion. We're not just designers. Our team of direct marketing experts understands the nuances of selling. We don't view any single channel as a stand-alone piece, but rather part of a brand's integrated, cohesive marketing mix.

February 2025: Consumers and Brands Seek Clarity

After a soft start in January, headwinds persisted for many brands in February. Retailers faced a challenging environment as consumer confidence continued to decline amid ongoing uncertainty surrounding tariffs and the U.S. economy.

Overall, sessions rose by 2.32%, but conversion challenges remained, with orders down -9.05% and demand falling -7.6% compared to February 2024. Apparel, outdoor, and specialty brands struggled, while home retailers saw gains in orders and sales. Brands of all sizes are feeling the impact of slowing consumer demand.

Consumer confidence is at its lowest level since June 2024, and economic uncertainty likely to continue. Brands that adjust pricing strategies, strengthen customer engagement, and highlight value will be better equipped to navigate uncertainty and capture opportunities in the coming months.



TREND 1

The Gen Z-Disrupted Marketing Funnel: A Shift to Non-Linear Customer Journeys

The traditional marketing funnel—moving consumers through awareness, consideration, and conversion—is becoming obsolete with Gen Z. Their buying journey is fluid, interactive, and shaped by social media, peer recommendations, and digital communities. Rather than following a structured path, Gen Z moves seamlessly between discovery and purchase, making impulse buys through platforms like Instagram and TikTok.

Traditional advertising is losing its grip as Gen Z favors influencers, online communities, and real-world testimonials over direct brand messaging. They engage with micro-influencers, seek out user-generated content, and research products across multiple platforms before making a decision. A typical journey may include seeing a product on TikTok, verifying reviews on Reddit, browsing styling ideas on Pinterest, and completing the purchase through a brand's app.

To capture Gen Z's attention, brands must focus on content-driven marketing rather than conventional ads. Educational videos, entertaining social media content, and behind-the-scenes storytelling resonate more than traditional promotions. Additionally, building loyalty with Gen Z requires continuous engagement, interactive experiences, and aligning with their values rather than relying solely on repeat purchases.

Brands that adapt to this non-linear customer journey by embracing community-driven marketing, personalized experiences, and seamless social commerce will thrive. Success in the Gen Z era means creating an ecosystem where discovery, engagement, and conversion happen naturally across multiple touchpoints.

TREND 2

Upcoming USPS Postage Increases: How Direct Marketing Companies Can Prepare

The United States Postal Service (USPS) has announced a series of postage rate increases through 2027, with a significant hike expected in July 2025. These adjustments aim to address ongoing financial challenges, including a $6.5 billion net loss in 2023. Direct marketing companies relying on mail campaigns must adapt their strategies to manage rising costs effectively.

To mitigate the impact of rate increases, businesses should optimize their mailing strategies. This includes refining mailing lists to focus on high-value recipients and adjusting mail designs to reduce weight and dimensions, potentially lowering postage costs. Additionally, taking advantage of USPS promotions—such as Informed Delivery and sustainability incentives—can help offset expenses through discounts.

Diversifying marketing channels is another key strategy. By integrating direct mail with digital campaigns, including email and social media, companies can enhance engagement while reducing dependence on traditional mail. A multi-channel approach ensures broader reach and cost efficiency.

Staying informed about USPS updates is crucial for effective planning. Monitoring official announcements, adjusting marketing budgets, and forecasting expenses in advance will help businesses navigate these changes smoothly. By proactively adapting to the evolving postal landscape, direct marketers can maintain effective and cost-efficient campaigns despite rising postage rates.

TREND 3

The Power of Surprise and Delight in Customer Loyalty

In today's competitive market, brands must go beyond traditional loyalty programs to create lasting customer connections. The "Surprise and Delight" strategy does just that—offering unexpected rewards or experiences that foster emotional bonds and long-term loyalty. From surprise discounts to exclusive event access, these gestures enhance brand perception and encourage engagement.

Going beyond standard service strengthens customer relationships and boosts word-of-mouth referrals. Studies show that unexpected positive experiences make customers more likely to continue doing business with a brand. Simple gestures like handwritten thank-you notes, early product access, or complimentary upgrades can leave lasting impressions.

Major brands have successfully leveraged this approach. Domino's "Emergency Pizza" promotion rewarded loyalty members with a free pizza, leading to increased engagement and sales. British menswear brand Percival created exclusivity with private online communities, fostering customer loyalty based on engagement rather than spending.

By integrating surprise elements into their strategy, brands can stand out in a crowded market. Thoughtful, personalized interactions not only enhance customer satisfaction but also turn buyers into long-term advocates.

TREND 4

Crafting Memorable B2B Experiences That Resonate

The world of B2B marketing is undergoing a serious glow-up, and at the heart of this transformation is experiential marketing. Gone are the days of dull conference booths and lifeless PowerPoint slides—brands are now crafting immersive experiences that leave lasting impressions. A recent article from the ANA highlights how companies like Sony AITRIOS and Wipro are leading the charge, redefining what it means to engage an audience in a meaningful way.

Instead of the same-old trade show approach, these brands are creating interactive environments where customers don't just see a product—they experience it. Whether it's through hands-on demonstrations, sensory-driven storytelling, or cutting-edge digital integrations, the goal is to forge a real emotional connection. And guess what? It works. These memorable experiences don't just spark engagement in the moment; they foster deeper relationships and long-term brand loyalty.

The takeaway? If you want to stand out in the crowded B2B space, you need to stop thinking like a salesperson and start thinking like a storyteller. Customers don't want a pitch—they want an experience. And the brands that get this right will not only capture attention but keep it, long after the event is over.

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TREND 5

The Return of J.Crew’s Catalog: A Masterclass in Cross-Channel Engagement

J.Crew’s decision to bring back its print catalog isn’t just a nostalgic move—it’s a powerful statement about the enduring value of physical touch in a digital-first world. In an era where marketing is often fleeting, the catalog offers something tangible, a moment to slow down and engage with the brand in a meaningful way.But what’s just as impressive as the catalog itself is the way J.Crew has leveraged it across social media, turning its return into a cultural event. Rather than a simple “one-and-done” announcement, they’ve crafted a series of engaging posts that blend playfulness, nostalgia, and storytelling.

From a miniature pocket-sized catalog to a gold key labeled “Catalog Archive” teasing unseen treasures, they’ve sparked curiosity and conversation. Other posts flip through the pages, share behind-the-scenes stories, and invite audiences into the brand’s rich history.The result? Heavy engagement, a flood of hearts and comments, and a brand moment that feels fresh yet familiar. This is more than a product launch—it’s a masterclass in how to revive a legacy touchpoint while seamlessly integrating it into today’s social landscape. J.Crew has reminded us that the best marketing doesn’t just sell—it captivates.

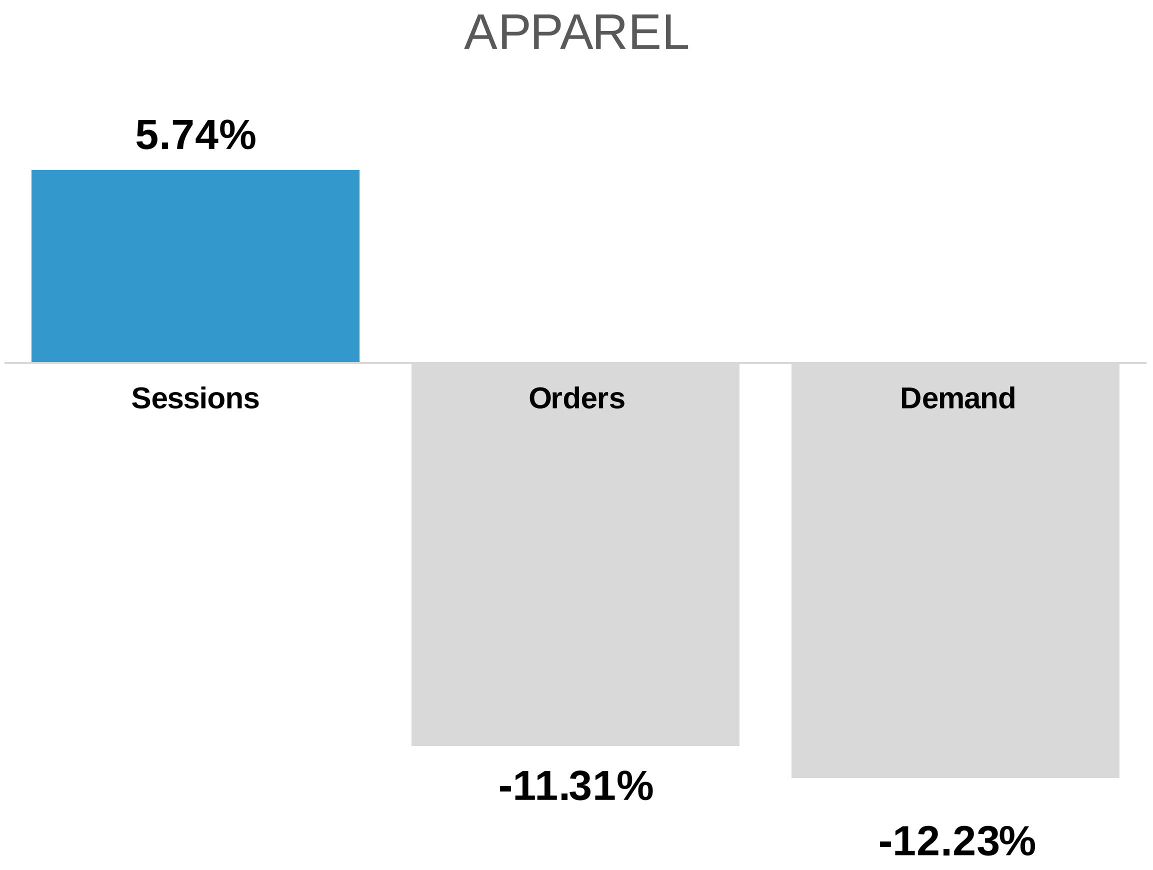
See the launch.

BY INDUSTRY

Apparel Industry

Consumers continue to shop for apparel but are purchasing less. Sessions rose by 5.74% as shoppers remain engaged, but conversion rates are declining after a period of sustained growth.

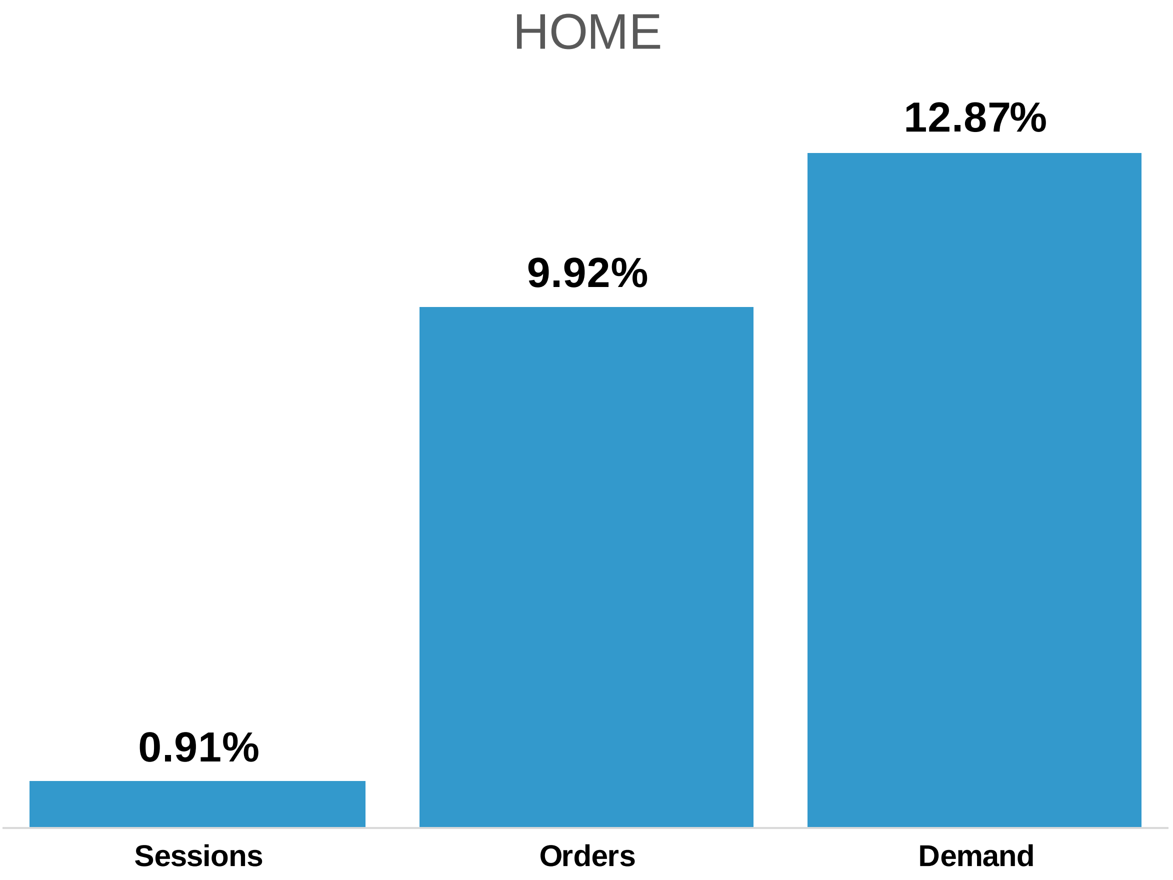
Although we see a significant increase in online shopping post pandemic, online retailers face increased online pricing transparency affecting profit margins, higher apparel return rates, and customer acquisition costs are higher due to online competition.



Home Brands

Home Brands saw positive KPI growth last month. Sessions increased slightly by 0.91%, while retailers experienced significant gains in orders and demand. Brands also saw improvements in conversion rates and average order values (AOVs).

However, uncertainty around tariffs could impact consumer demand in the coming months, potentially creating opportunities for brands with domestic production or supply chains.



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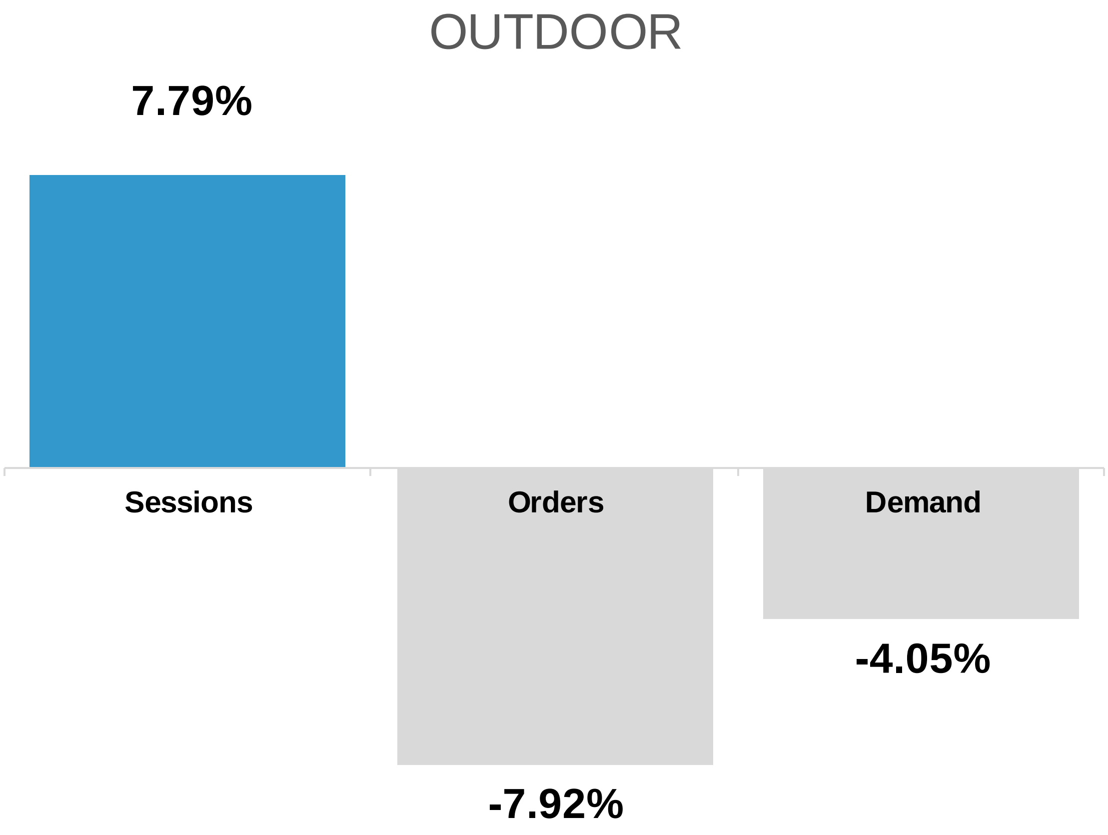
Outdoor Brands

Outdoor brands saw a 7.79% increase in sessions in February. However, orders declined by -7.92% year-over-year. On a positive note, average order values (AOVs) showed improvement, with demand down only -4.05%.

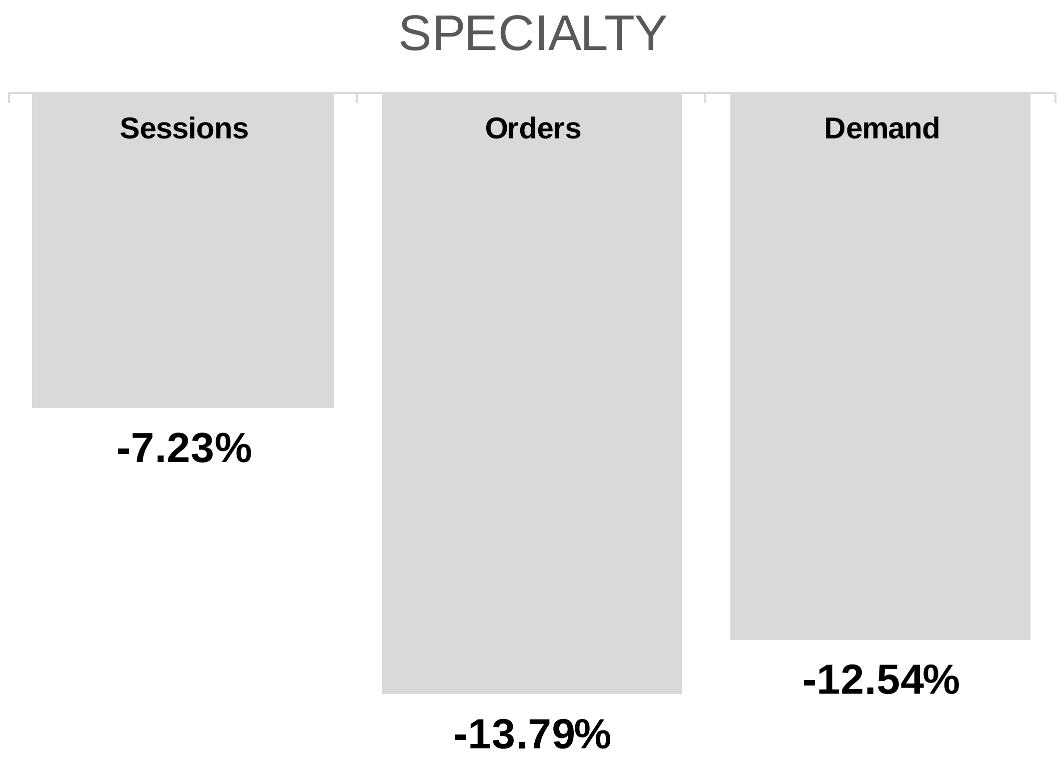
Potential tariff increases this year could significantly impact the outdoor sector, particularly in pricing and supply chain management. Additionally, consumer spending—especially in discretionary categories like sporting goods—may face further pressure.



Specialty Retailers

Specialty brands continue to face a challenging start to the year. Sessions declined by -7.23%, with orders and demand seeing significant drops compared to February 2024.

According to Deloitte’s consumer insights, spending remains strong in the food and beverage category, while demand in other sectors has slowed. Many consumers also report cutting back on discretionary purchases.

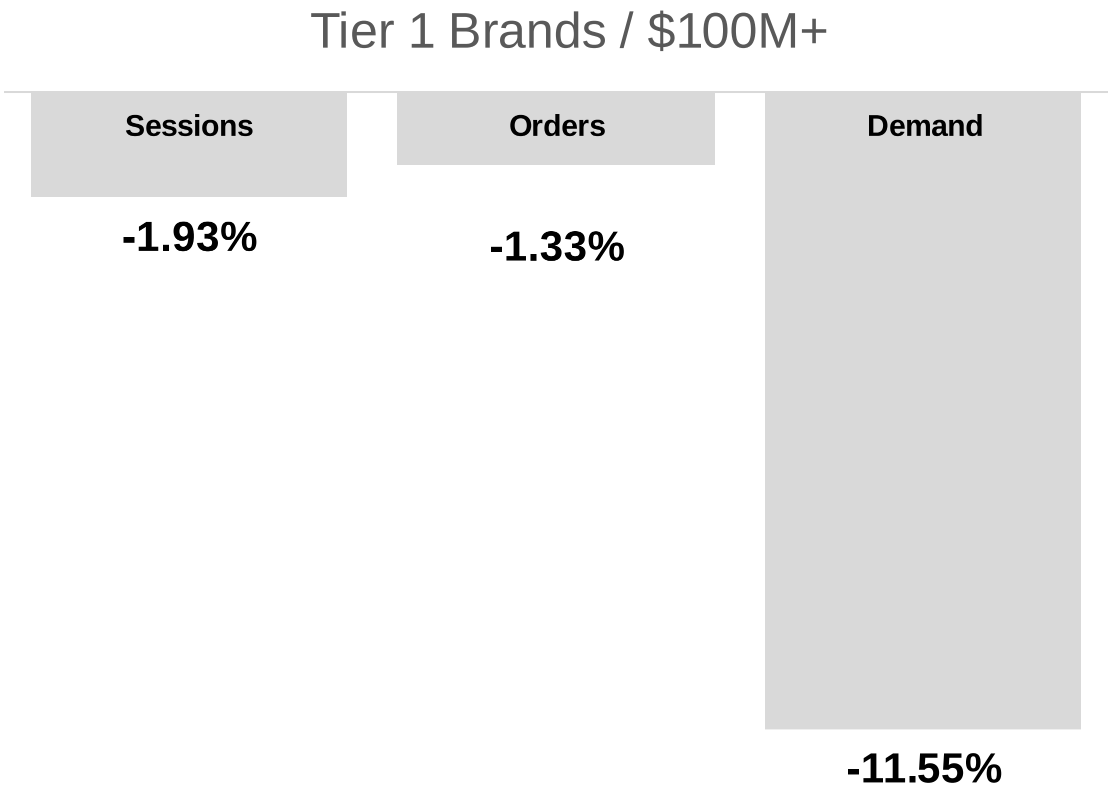


BY REVENUE

Tier 1 Brands

Tier 1 Brands saw a -1.93% decline in sessions compared to last February. Despite this, retailers maintained conversion rates, keeping order declines to just -1.33%.

However, demand and average order values (AOVs) dropped more sharply year-over-year, reflecting a shift in consumer spending. Deloitte estimates a -9% decline in spending intent for February, aligning with these trends as shoppers become more cautious and selective with purchases.



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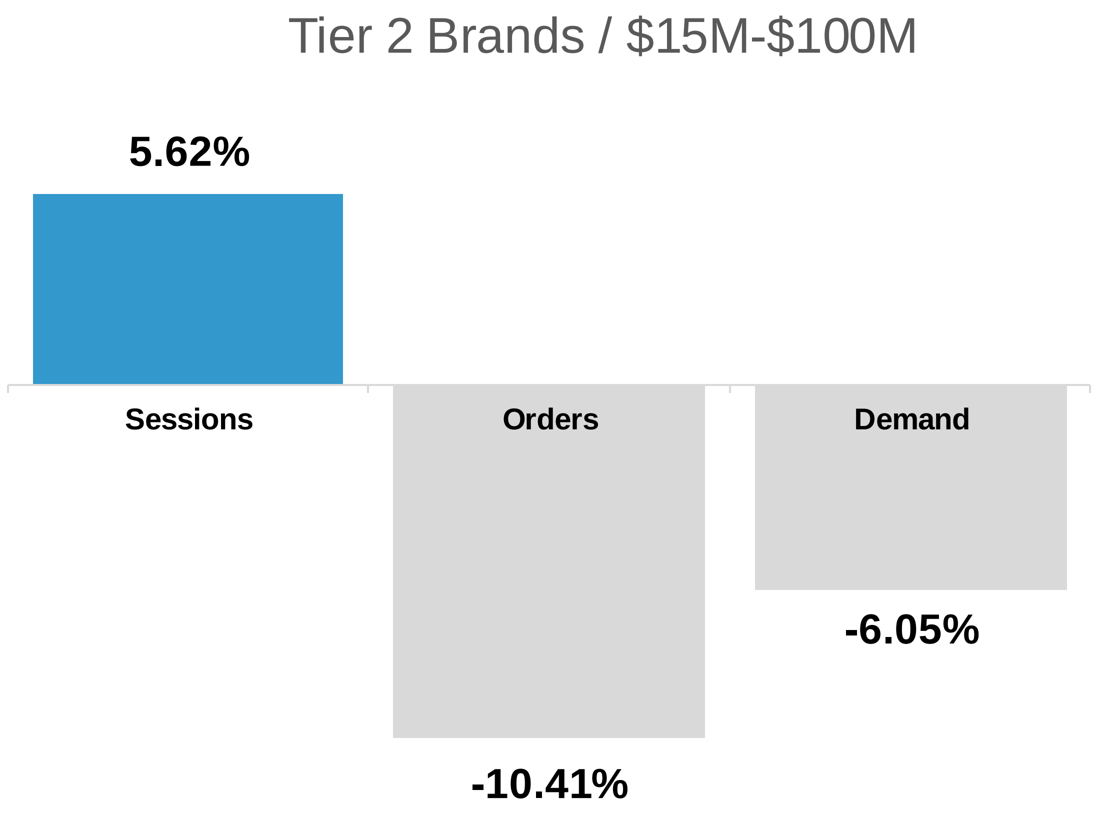
Tier 2 Brands

Tier 2 Brands saw a 5.62% increase in sessions this month, rebounding from January's decline. However, this growth did not translate into stronger conversions.

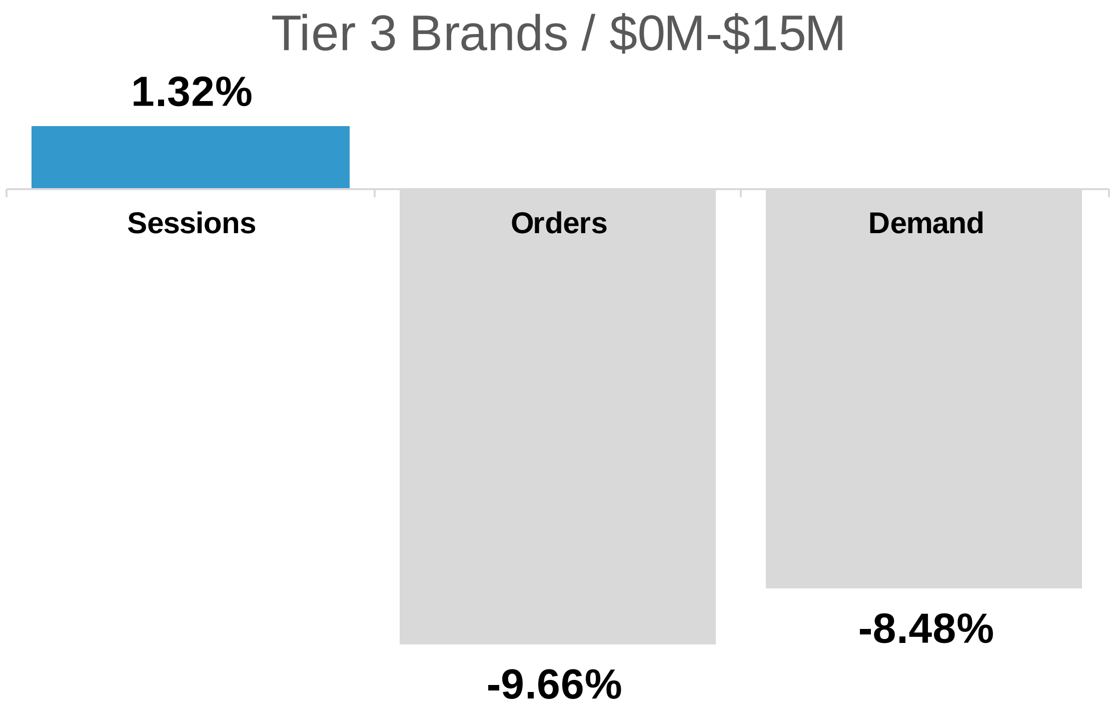
Orders dropped significantly, down -10.41%, while demand slipped -6.05% year-over-year. Despite this, key performance indicators (KPIs) suggest that average order values (AOVs) are improving. The data indicates that while more consumers browsed, fewer converted in February, signaling potential shifts in purchasing behavior or cautious spending trends.



Tier 3 Brands

Tier 3 Brands saw a 1.32% increase in sessions compared to February 2024. However, declines in orders and demand suggest ongoing conversion challenges, as higher traffic did not translate into stronger sales.

Despite this, average order values (AOVs) have remained strong, indicating that engaged customers are still willing to spend. Looking ahead, continued economic uncertainty poses a challenge for Tier 3 Brands, potentially impacting consumer confidence and purchasing behavior in the coming months.



IN THE NEWS

In the News

2025 USPS Postal Promotions

Postage rates are on the rise, and the USPS has launched its 2025 promotional programs to help mailers reduce costs and create more effective campaigns.

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US ecommerce sales in 2024 more than double 2019

U.S. ecommerce sales and penetration of total sales reached new peaks in 2024, according to a Digital Commerce 360 analysis of U.S. Department of Commerce data

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USPS Postmaster DeJoy Stepping Down

The USPS has announced that Louis DeJoy, America's 75th Postmaster General, is stepping down. A search is underway for his replacement.

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