

TREND REPORT

July 2025

cohereOne + J.SCHMID

We compiled these trends from over 100 brands, comparing year-over-year data for the date range June 1, 2025, to June 30, 2025.

This industry update is brought to you by:



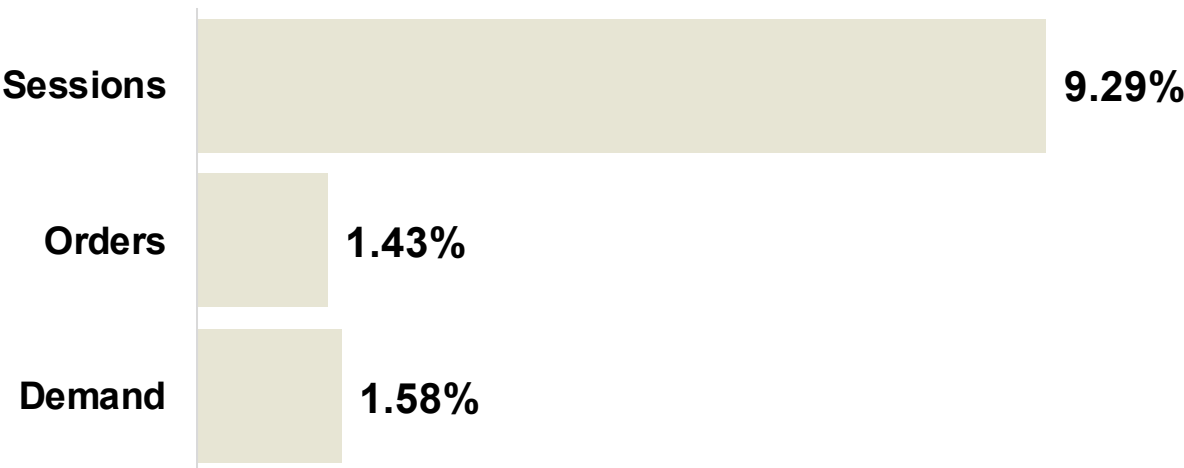
As the premier direct-to-consumer marketing partner serving Retail Brands, CohereOne's insights and experience grant us an unrivaled depth of visibility into the industry's performance. Our team of marketing professionals has broad experience and a track record of successfully launching or growing consumer-facing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



J.Schmid 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.

June 2025: Traffic Up, Consumers Browsing More

June 2025 vs. June 2024



Engagement was up in June, with sessions rising 9.29% year-over-year, reflecting sustained consumer interest. However, this growth in traffic translated into only modest gains in orders (+1.43%) and overall demand (+1.58%), underscoring persistent challenges in driving conversions.

Conversion rates remain a key concern. Economic headwinds continue to influence consumer behavior. Consumer confidence declined in June, reversing May’s gains, largely due to inflationary pressures and the early impact of tariff-related price increases, now affecting nearly 40% of consumers.

In addition, macroeconomic indicators present a mixed outlook. Inflation remains elevated, with the Consumer Price Index (CPI) up 3.7% year-over-year as of June. Personal savings rates have declined to 3.9%, down from 5.2% a year ago, suggesting tighter household budgets.

Looking ahead, the sector may benefit from seasonal tailwinds, including the back-to-school shopping season, projected to drive a 4.5–5.0% increase in sales, and postal rate discounts, which may help offset rising operational costs.

Top retailers are focusing on conversion optimization, price transparency, and value-driven messaging to navigate the current environment. Monitoring shifts in consumer sentiment and adapting quickly to macroeconomic signals will be critical as the second half of the year unfolds.

2026 USPS Promotions Overview

from Matt Jensen – Midland Postal Affairs Manager

CORE PROMOTIONS

NEW! Catalog Insights (10%)

Promotion period: 10/1/25 – 6/30/26

Registration begins: 8/15/25

- Open to Marketing Mail Letters, Flats, and Parcels.
- Mail pieces must contain at least 12 pages, be bound, and include a list of products/services offered to facilitate order placement.

Continuous Contact (5%)

Promotion period: 4/1/26 – 12/31/26

Registration begins: 2/15/26

- Open to Marketing Mail Letters, and Flats.
- Receive a discount for sending follow-up mailings to the same address. These repeated mailings must complement or build upon the initial mailing, resulting in an ongoing, targeted conversation with the recipient and the potential to increase conversion rates.

Tactile, Sensory, and Interactive (5%)

Promotion period: 1/1/26 – 6/30/26

Registration begins: 10/15/25

- Open to Marketing Mail and First-Class Letters, and Flats.
- Encourages mailers to incorporate innovative techniques such as specialty inks, paper substrate treatments, and interactive elements.

Integrated Technology (5%)

Promotion period: Mailer can choose any consecutive six-month window in 2026.

Registration begins: 11/15/25

- Open to Marketing Mail, First-Class Letters, and Flats.
- Mobile shopping (a printed QR code that takes the reader to a mobile-optimized website) or AI-generated imagery/copy is the easiest way to qualify.

ADD-ON PROMOTIONS

Informed Delivery Add-On (1%)

Conduct a marketing campaign that reaches your target audience via email. The USPS reports that these full-color clickable images in an email message have a 64% open rate.

Sustainability Add-On (1%)

Enhance your campaigns with environmentally conscious materials by demonstrating that the paper used in the mailing came from a certifiable, responsible source. In addition to FSC, SFI, and PEFC, Midland's Carbon Balanced Paper certification also qualifies.

RECOMMENDATIONS

Catalog mailers

Catalog Insights + Integrated Technology + Add-Ons: Potential 12% discount H1 and 7% discount H2

Non-catalog mailers

Tactile, Sensory, and Interactive + Integrated Technology.
Add-Ons: Potential 7% discount throughout the entire year



TREND #2

Back-to-School Shopping

The 2025 back-to-school season has begun for families across the country. Despite inflation and tariff concerns, nearly 75% of parents plan to spend the same or more than last year, and over one-third expect to increase their spending. The National Retail Federation (NRF) projects K-12 spending to reach \$39 billion, with college-related purchases hitting \$87 billion.

Shopping Behavior and Timing

Key consumer insights:

- 26% of shoppers began in early June.
- Over 55% had already started by early July (PwC).
- Many are prioritizing essentials and spreading purchases across multiple paychecks.
- Discount retailers and online deals are seeing increased traffic.
- 20% of shoppers are using AI tools to find deals, indicating growing comfort with digital shopping aids.

Technology and Demographic Trends

- 1 in 4 parents plan to spend over \$500 on tech-related items such as laptops and tablets.
- Gen Z parents are more likely to shop exclusively in-store.
- Millennials and Gen X favor hybrid or online-first shopping approaches.

Retailer Strategies

Retailers are launching aggressive promotions to attract early and value-conscious shoppers:

- Target is offering over 1,000 items under \$5.
- Bundles of 20 essentials are available for under \$20.

What Does It Mean?

Back-to-school shopping remains a critical driver of retail activity and a key indicator of consumer sentiment, offering a glimpse into how families are adapting spending behaviors in a shifting economic landscape.



TREND #3

Marketing During Inclement Weather and Natural Disasters

Inclement weather and natural disasters such as hurricanes, wildfires, floods, and snowstorms can significantly disrupt both communities and marketing operations. For organizations that rely on direct mail, it is essential to respond with agility, sensitivity, and strategic foresight.

Suppress Affected ZIP Codes

When disaster strikes, marketers should immediately suppress mailings to ZIP codes in impacted areas. This not only conserves resources but also demonstrates respect for recipients who may be facing serious challenges.

Pause or Modify Campaigns

Active or scheduled campaigns should be reviewed and, if necessary, paused or adjusted. Messaging that may have been appropriate under normal circumstances can appear out of touch during a crisis. Delaying or revising content to reflect the current situation helps maintain brand integrity.

Ensure Accurate Business Information

It is critical to keep business information up to date across all platforms, including websites, Google Business Profiles, and social media. Clear communication about changes in hours, service availability, or delivery timelines helps manage customer expectations and reduces confusion.

Adapt Messaging to Reflect the Moment

Reevaluate promotional content to ensure it aligns with the current situation. Brands can provide value by offering relevant resources, safety tips, or community support initiatives. This approach reinforces trust and positions the brand as a responsible and empathetic partner.

Monitor Conditions and Remain Flexible

Staying informed through reliable sources allows marketers to make timely decisions and adjust strategies as conditions evolve. Flexibility is key to maintaining relevance and customer goodwill.



TREND #4

Attract New Customers Without Losing the Ones You Have: A Direct Mail Strategy for Retailers

Whether you sell high-end fashion, home goods, or outdoor gear, direct mail is a powerful way to grow your customer base. But bringing in new shoppers shouldn't come at the cost of alienating loyal ones.

Segment and Personalize

Use customer data to tailor your message. New customers might see bestsellers and a welcome offer. Existing customers should get product suggestions based on past purchases, along with loyalty perks or early access to new arrivals.

Mix New with Familiar

Introduce fresh products alongside proven favorites. A fashion catalog could pair trending styles with classic staples. Home goods might feature new collections next to top-rated essentials. Outdoor gear can highlight innovations while reinforcing trusted items.

Consider Format and Length

Format matters. New customers may benefit from full-size catalogs with higher page counts to showcase your brand and product range. For loyal customers, consider smaller formats like digest-size booklets, gatefolds, or even postcards that highlight curated picks or seasonal updates. These can be more cost-effective while still delivering impact.

Test and Adjust

Test multiple catalog versions to identify what resonates best with each audience. Track response rates and refine your messaging, layout, and offers to better connect with each audience.

Reward and Invite

Give loyal customers reasons to stay engaged, like referral bonuses or sneak peeks. For new customers, a limited-time discount or free shipping can help close the deal.

Bottom Line

Whether you're selling cozy throws, durable backpacks, or timeless denim, your catalog should build relationships. With smart segmentation, thoughtful messaging, and the right format, you can grow your audience while keeping your best customers close.



Sku: 14

Women coats

\$110.00 \$80.00 SALE -27%

★★★★★ (1)

Vendor: glory

19 in stock

Size: x

x l xl m s

Color: black



Quantity

- 1 +

Add To Cart

TREND #5

Consumers Cut Back on Discretionary Spending Due to Tariffs

Brands that sell jewelry, accessories, electronics or other discretionary spending categories have reason to worry. In a recent McKinsey survey, sixty percent of US consumers reported that they have either changed or plan to change their spending habits in response to the tariffs. But their concerns don't stop there; tariff policies were eclipsed by concern over rising prices, which was the top source of worry.

How did they or do they plan to change spending? By cutting back on non-essential spending, purchasing fewer items overall, switching to lower-priced products, or delaying purchases.

Boomers Less Likely to Switch Brands, Millennials Shop Second-Hand

Gen Z and Millennials were more likely to buy second-hand or switch stores/websites as a cash management tactic, while Boomers were less likely to switch stores or hit the flea market. Retailers will likely see this as a positive, as that would make them more predictable consumers.

Low and Middle-Income Consumers Trade Down

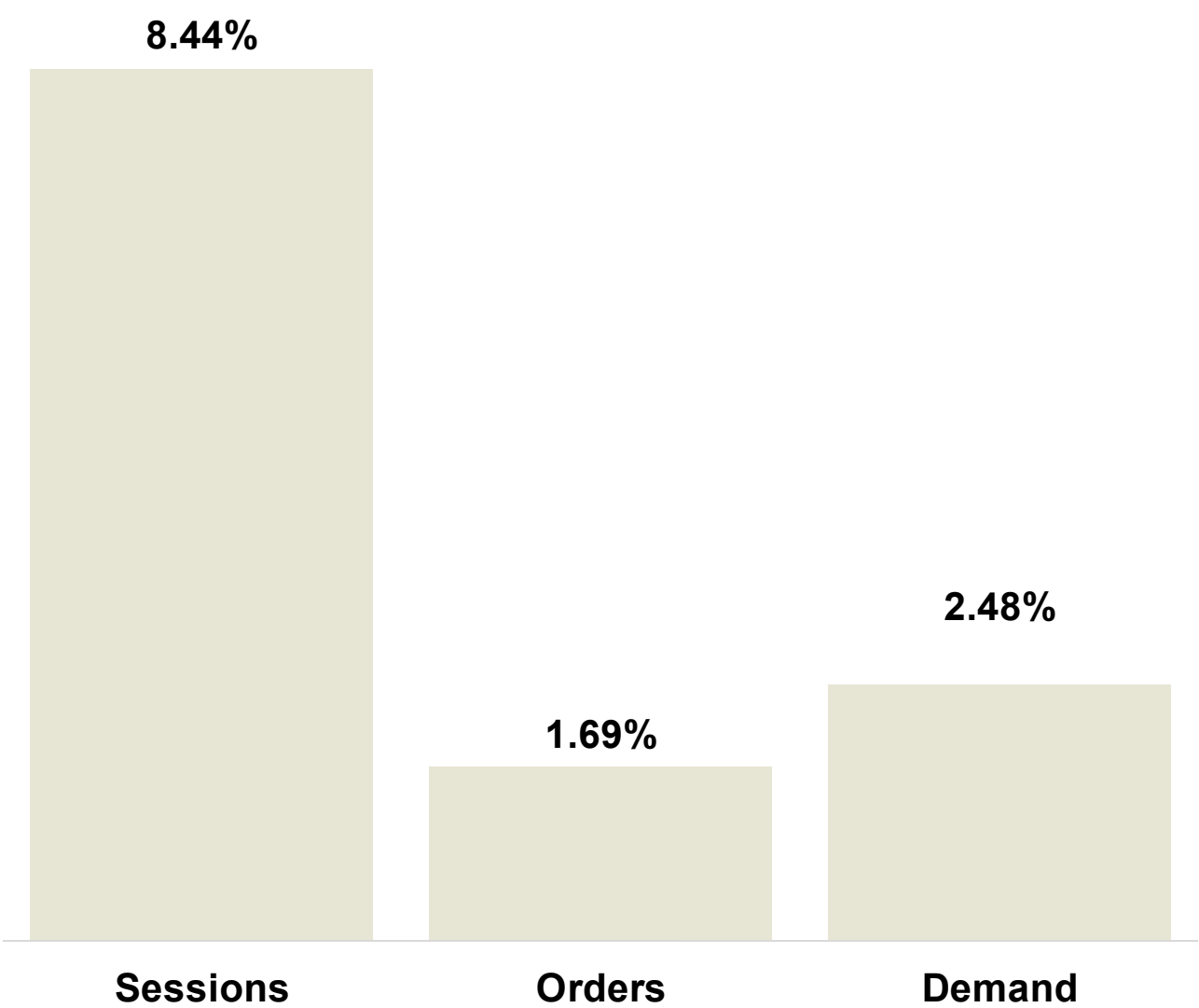
Low-income consumers were the most likely to switch to lower-priced products. Forty percent of consumers said they expect to make no change to spending on essentials, including groceries, vitamins and supplements, and gasoline.

[Read more.](#)

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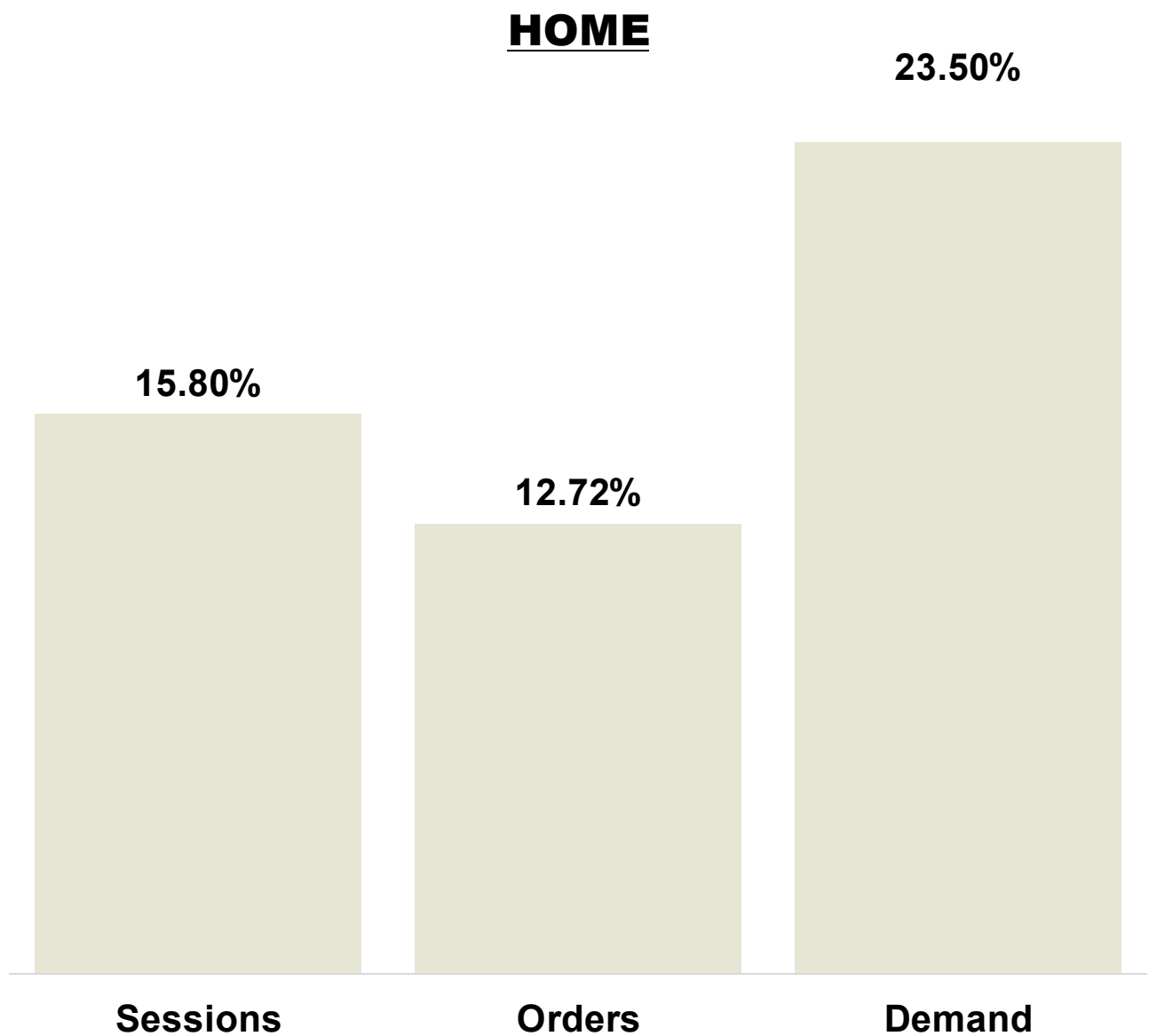
BY INDUSTRY

APPAREL



Apparel Industry

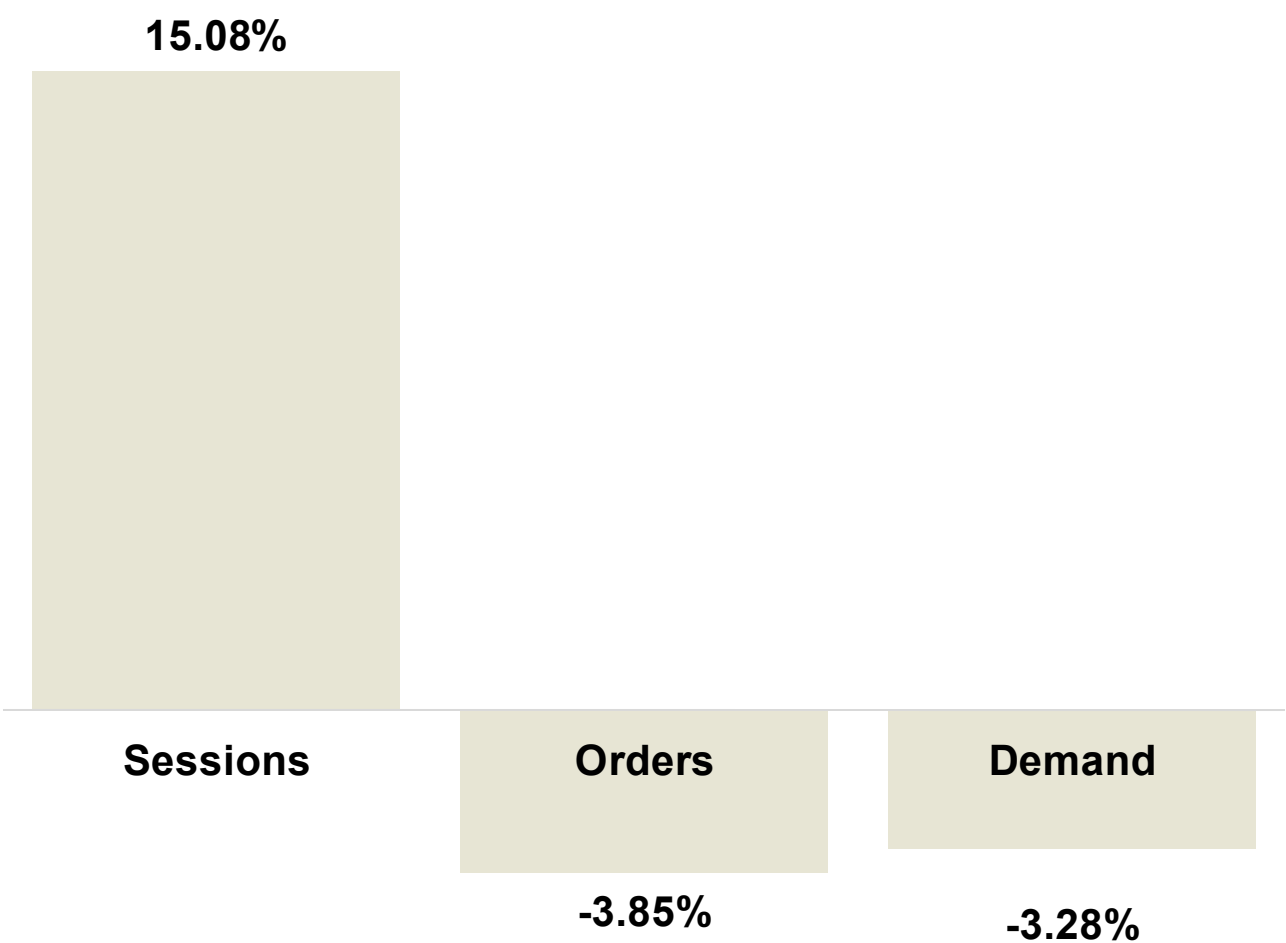
In July 2025, apparel brands saw sessions rise by +8.44%, but orders and demand grew more modestly at +1.69% and +2.48%, respectively. This gap highlights ongoing conversion challenges, as increased traffic isn't translating proportionally into sales.



Home Industry

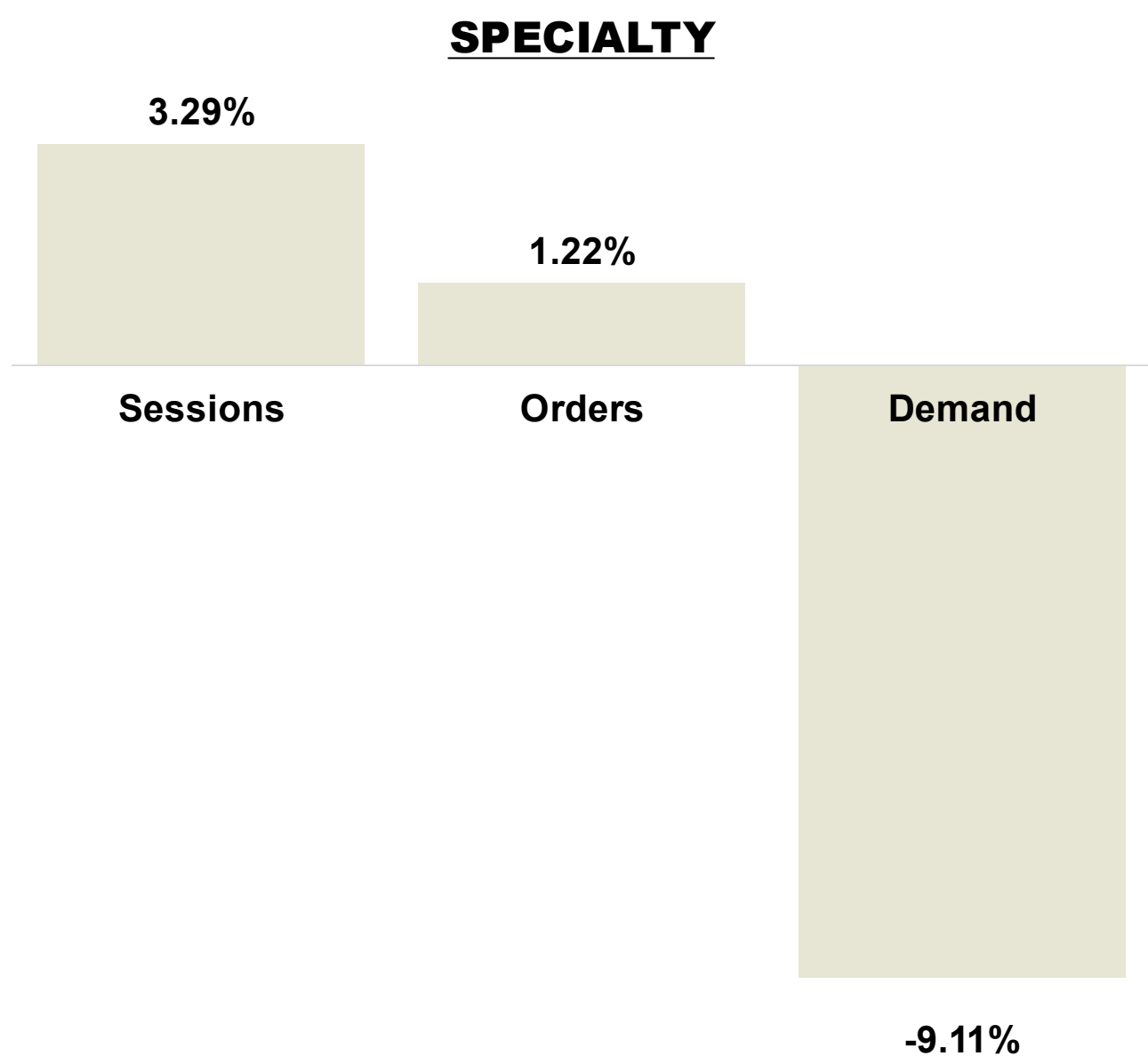
Home brands continued their strong performance last month. Sessions increased by +15.80%, indicating a surge in customer interest and engagement. Orders rose by +12.72%, while demand jumped an impressive +23.50%, reflecting both higher traffic and stronger purchasing intent. Conversion rates held steady, and retailers benefited from higher average order values (AOVs), suggesting that shoppers are spending more per transaction.

OUTDOOR



Outdoor Industry

Outdoor brands saw a +15.80% increase in sessions year-over-year; however, both orders and overall demand declined by -3.85% and -3.28%, respectively. Conversion continues to be a challenge, and it appears outdoor consumers are becoming more price sensitive.



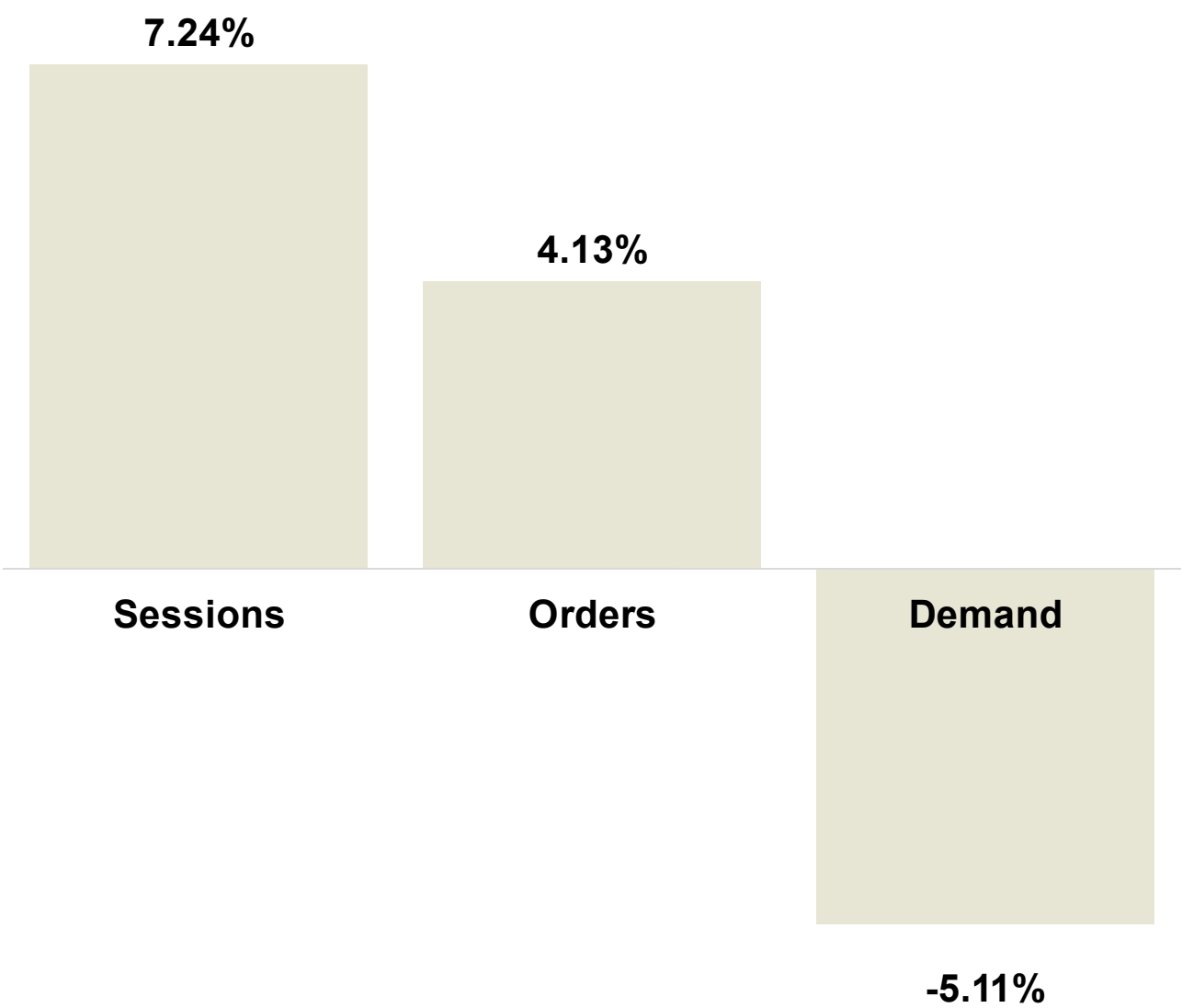
Specialty Brands

Specialty brands experienced a +3.29% increase in sessions and a +1.22% rise in orders last month. However, overall demand declined by -9.11%. Average order values (AOVs) remained below last year's levels, reflecting continued price sensitivity among consumers.

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BY REVENUE

TIER 1 BRANDS / \$100M+

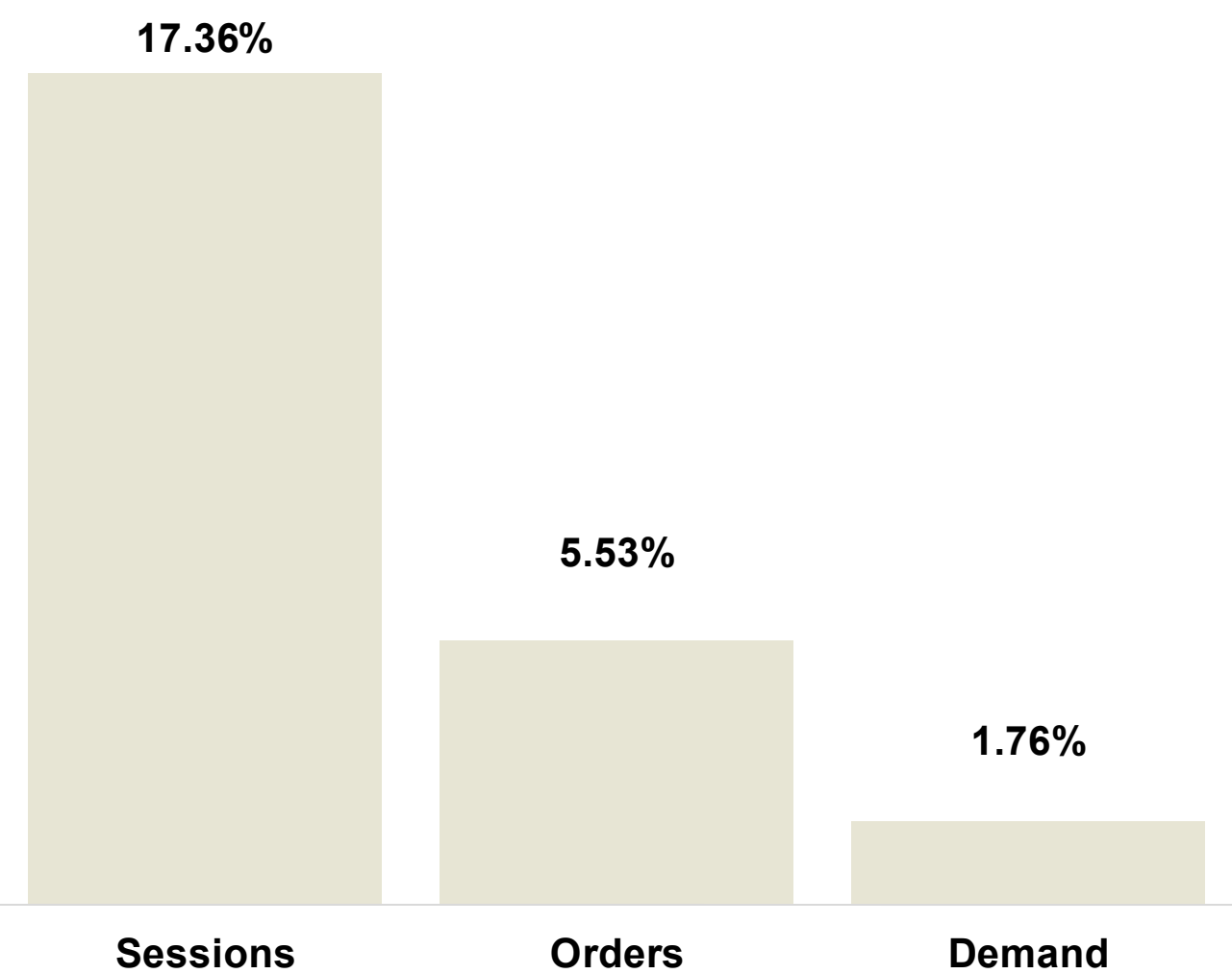


Tier 1 Brands

Tier 1 brands are showing positive momentum in traffic and order volume, with sessions up +3.03% in May and accelerating to +7.24% in June, and orders up +2.76% in May and +4.13% in June. However, monetary performance remains under pressure, as demand was down -10.22% in May and -5.11% in June.

This disconnect suggests that while more users are visiting and purchasing, they are likely spending less per order (lower AOV) or converting at a slightly lower rate. The improvement in June indicates some recovery, but further focus is needed on improving conversion efficiency and increasing order value to fully capitalize on growing traffic.

TIER 2 BRANDS / \$15-\$100M

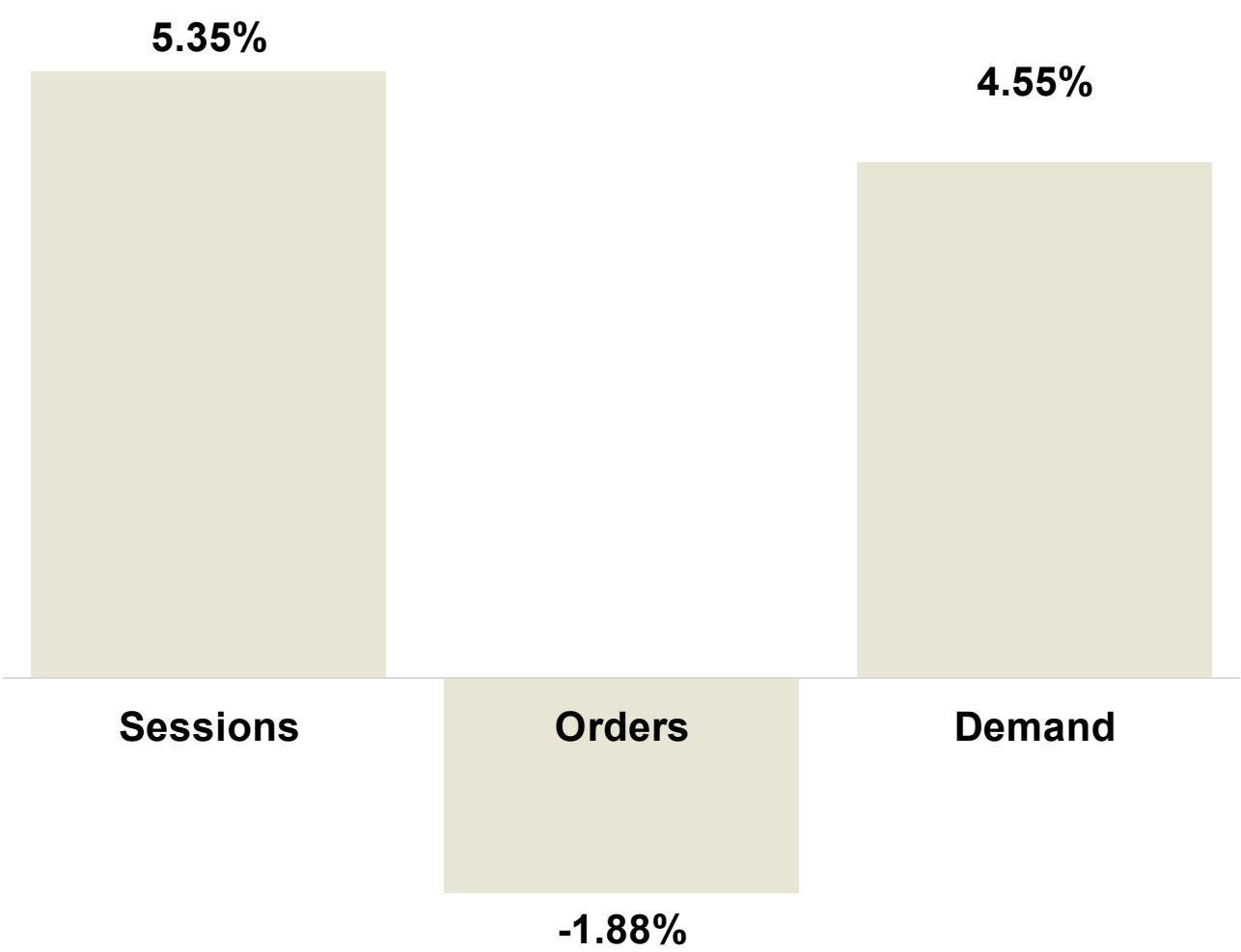


Tier 2 Brands

Tier 2 brands are seeing robust traffic growth—sessions were up +11.90% in May and accelerated to +17.36% in June. However, the traffic didn’t translate efficiently as orders declined -0.67% in May and demand fell -2.08%, indicating conversion and/or AOV issues.

June showed a notable turnaround: orders grew +5.53% and demand returned to +1.76%, suggesting improved conversion mechanics or stronger customer spend. Despite the gains, the gap between session and order growth implies continued efficiency challenges, highlighting a need to optimize for conversion and increase AOV to maximize return on growing site traffic.

TIER 3 BRANDS / \$15M or Less



Tier 3 Brands

Tier 3 brands saw strong momentum in May—sessions grew +16.67% and demand rose +15.46%, but orders lagged at +6.04%, indicating early conversion inefficiencies.

In June, performance cooled: session growth slowed to +5.36%, demand dropped to +4.55%, and orders declined to -1.88%. The negative shift in orders suggests weakening purchase intent or execution gaps in conversion strategy.

While traffic and demand remained positive, the widening gap between sessions and order performance highlights ongoing efficiency challenges. This underscores the need to optimize the conversion funnel, refine targeting, and potentially re-evaluate merchandising or promotional strategies to drive stronger performance among smaller-revenue brands.

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IN THE NEWS

IN THE NEWS



Your People Are Your Brand

When we think of powerful brands with rich stories, like Patagonia, we picture their website, their stores, maybe one of those beautifully crafted catalogs. But there's something just as important that often gets overlooked: the people.

[Watch Video →](#)



USPS 2026 Promotions Calendar is Live

The U.S. Postal Service's 2026 Promotion Calendar is live. Ask your rep how you can take advantage of available discounts up to 10%.

[Read More →](#)



PwC's 2025 Back-to-School Survey

Many American families are forging ahead with back-to-school shopping plans despite mounting economic pressure, according to PwC's latest consumer survey.

[Read More →](#)



The State of Fashion 2025

Though hard to predict even in the best of times, the fashion industry is in for a particularly tumultuous and uncertain 2025. A long-feared cyclical slowdown has arrived. There is still growth to be found, but economic uncertainty, geographic disparities, and shifting customer behavior mean seizing it will require navigating a maze of compounding challenges at every turn.

[Read More →](#)