

TREND REPORT

August 2025

cohereOne + J.SCHMID

We compiled these trends from over 100 brands, comparing year-over-year data for the date range July 1, 2025, to July 31, 2025.

This industry update is brought to you by:

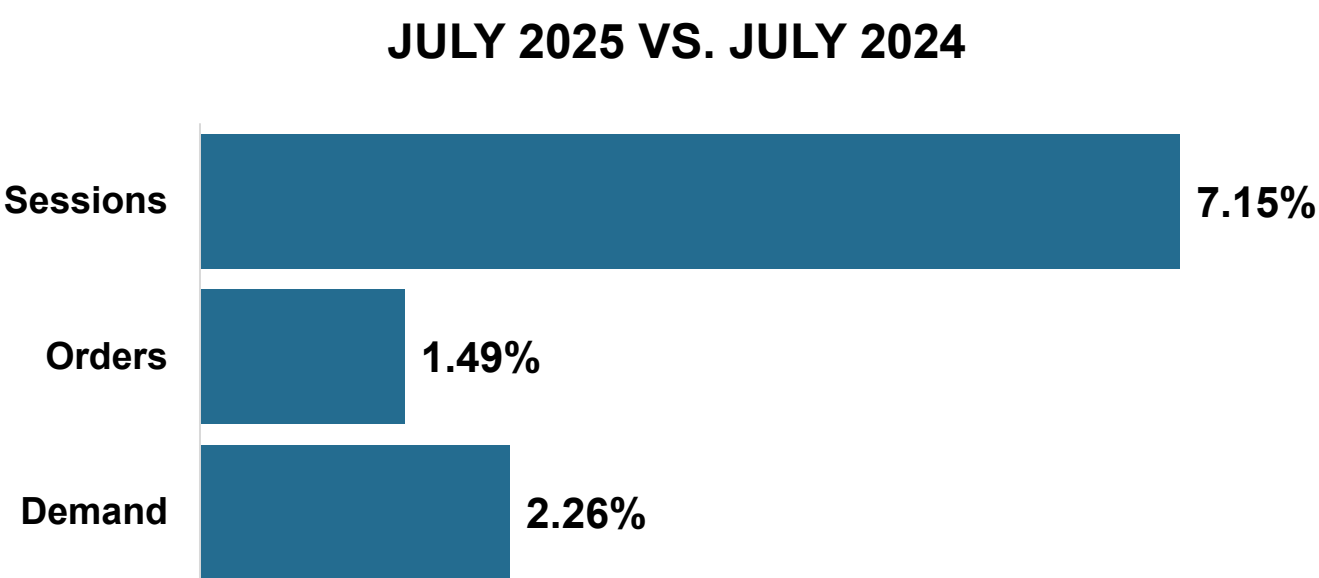
cohereOne

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.

July 2025: Strong Engagement Meets Selective Spending



Consumer engagement remained strong throughout July, driven by retail events such as Prime Day, the Fourth of July, and back-to-school promotions. Sessions increased +7.15%, however gains in orders and demand were more modest. Many home and outdoor brands saw orders and demand up, while growth for apparel was more tempered.

These trends align with broader economic signals. According to the National Retail Federation’s July economic review, consumer spending continues to show resilience, but concerns around inflation, interest rates, and lingering tariff uncertainties are tempering overall confidence. The University of Michigan’s Consumer Sentiment Index also reflected a slight dip in optimism, reinforcing the notion that while consumers are willing to shop, they are more selective and value-conscious.

Retailers are responding by leaning heavily into promotional strategies and personalized marketing to convert traffic into sales. Adobe Analytics reported that online discounts during Prime Day reached record highs in categories like electronics and apparel, helping drive conversion.

Looking ahead, brands who can balance engagement with compelling offers are best positioned to capture share in a cautious but active consumer landscape.



TREND #1

Back-to-School Shopping in Full Swing

As the school year gets underway, back-to-school shopping remains active, with families continuing to make purchases well into August and September. While early shopping surged in July, many families will continue purchasing into September, driven by budget constraints and evolving needs.

Spending Trends Remain Steady

Total spending is projected to hold at \$30.9 billion, with an average of \$570 per student, according to Deloitte. Families are prioritizing essentials, with clothing spend up 6%, while tech and supplies see modest declines. Economic pressures are prompting lower-income households to spend more, while higher-income families are scaling back.

Shopping Behavior

Although 67% of families began shopping early, many are continuing to buy as school starts. Consumers remain highly price-sensitive. Deloitte reports 75% of parents are willing to switch brands for better pricing, and 65% are shopping at more affordable retailers. Mass merchants lead, but department stores and local retailers are gaining ground. As school begins, retailers are seeing consumers shift from supplies to more discretionary purchases, like first day outfits and extracurricular gear.

Retailer Strategies

To capture late-season demand, retailers should:

- Extend Promotions through September
- Highlight value and flexible payment options
- Use targeted messaging for late shoppers
- Leverage social and influencer content to drive engagement

Conclusion

Back-to-school shopping continues to be a major force in retail, reaffirming its role as a seasonal driver of consumer spending. As families gear up for the academic year, retailers benefit from a surge in demand across categories, making this period a critical touchpoint for engagement and growth.



TREND #2

Prime Day 2025: Record Sales and Early Holiday Signals

Amazon Prime Day 2025 set a new benchmark for summer retail, generating \$24.1 billion in online sales across U.S. retailers—a 30% jump from last year. The four-day event (July 8–11) saw mobile shopping dominate, with over half of transactions made on phones.

Top-performing categories included:

- Kids’ apparel (+250%)
- Home security (+185%)
- School supplies (+175%)

According to NielsenIQ, Amazon’s daily order volume was 136% above average, with July 9 and 11 ranking among its top ten sales days ever. Shoppers browsed early and bought strategically, peaking on days two and four.

Forbes noted a dip in traffic and app usage, but purchase intent rose—48% of surveyed consumers made purchases, up from 38% in 2024. Competing sales at Walmart and Target also drew attention.

Looking ahead, analysts expect 2.5–3.5% growth in Q4 retail, with early spending potentially reducing holiday discounting.



TREND #3

8 Actionable Tips to Supercharge Your Holiday Marketing Strategy

The Holiday season is quickly approaching, and with calendars packed and teams pulled in every direction, it's easy to lose sight of the goals set earlier in the year. Now's the perfect time to pause, reevaluate your strategy, and ensure your plans are optimized to perform.

Whether you're finalizing print, digital, or omnichannel efforts, here are a few quick, actionable ways to sharpen your Holiday approach before it's too late:

1. **Segment Seasonal Buyers** – Identify customers who typically purchase during the Holiday season. Prioritize them in your mail plan to improve reactivation and overall ROI.
2. **Leverage Postal Retargeting** – Reach out to high-intent website visitors with timely postcards, delivered within 48–72 hours of site activity. This proven tactic helps recover missed conversions.
3. **Postal Promotions** – Don't leave money on the table! Work closely with your printer and/or USPS representative to take full advantage of available postal promotions. Starting in Q4, the USPS is offering a 10% postage discount on qualifying bound mail pieces of 12 pages or more—a significant savings opportunity during peak season.
4. **Align Print and Digital** – Ensure your catalog's featured products and visuals are echoed across your website, email, and digital ads to deliver a consistent and compelling customer experience.
5. **Lock In Your Press Time** – Printer schedules are filling fast. Secure your production window now to avoid missing key Holiday drop dates.
6. **Revisit Lapsed Buyers** – Don't overlook inactive customers—many re-engage during the Holidays. Tap into this group for potential incremental lift.
7. **Reverse Email Append** – Match email-only contacts to names and addresses using co-op databases to unlock new high-performing mail prospects.
8. **Send a Last-Minute Postcard** – Capitalize on the final shopping push with a cost-effective postcard targeting proven Q4 buyers in early December.

Small adjustments now can lead to big gains later. Let's make this your most successful Holiday season yet!



TREND #4

Contribution: A Strategic Lens for Profitability

In business, few metrics offer as much strategic insight as contribution, also known as contribution margin. This key indicator enables brands to evaluate how individual products, customer segments, or marketing strategies impact overall profitability.

Contribution is calculated by subtracting variable costs from revenue. For example, a \$100 order with \$40 in variable costs generates a contribution of \$60. This amount represents what remains to cover fixed costs and contribute to net profit.

$$\textit{Contribution} = \textit{Revenue} - \textit{Variable Costs}$$

For marketers, contribution is especially valuable. It reveals which segments, campaigns, or products are driving profitability, offering clear visibility into what's truly influencing financial performance.

Its utility extends across business functions. As highlighted in Harvard Business Review, contribution is particularly useful when evaluating whether to continue offering a product, adjusting pricing models, or restructuring sales incentives.

When expressed as a ratio, contribution margin shows the percentage of each sale that contributes to the business beyond covering variable costs. A higher margin indicates greater financial flexibility and stronger profitability, making it a critical metric for pricing, product prioritization, and resource allocation.

When considered alongside other financial indicators, contribution delivers critical insights that support sound decision-making. In essence, contribution is more than just a number, it's a lens through which businesses can make smarter, more informed strategic decisions.



TREND #5

Consumers Are Waffling Over Generative AI and Social Shopping Tools

According to a recent KPMG consumer pulse survey, roughly two-thirds of U.S. shoppers have either not used—and don’t plan to use—AI-driven shopping tools; similarly, 56% say they won’t use social shopping platforms. This hesitation is largely rooted in concerns around data privacy and trust: only 34% of respondents felt comfortable with AI systems analyzing their personal online data, while 43% expressed clear discomfort. Meanwhile, the majority of consumers continue to prefer independent product research over being influenced by ads or algorithms.

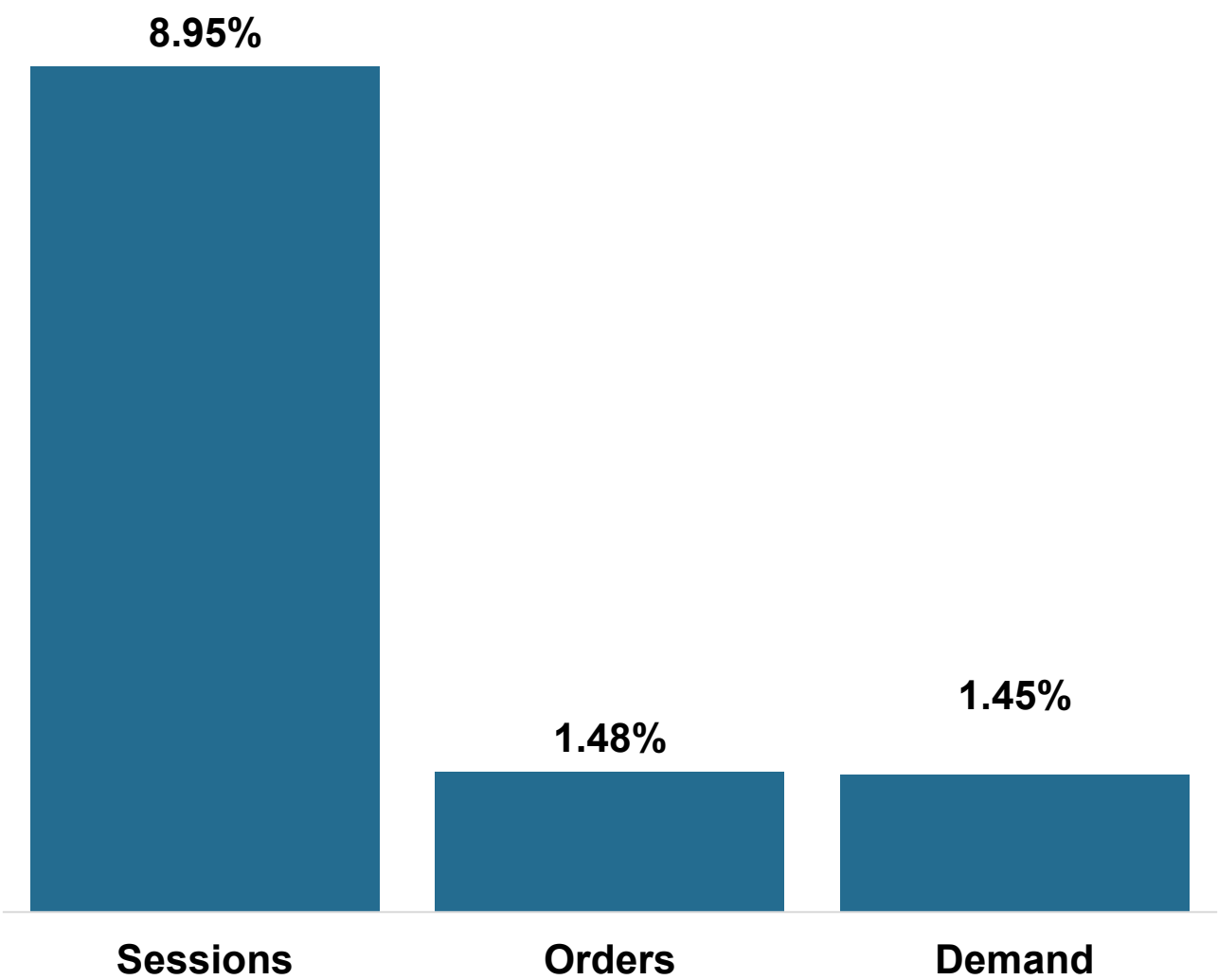
Still, the picture isn’t one-dimensional. Nearly a third of shoppers are discovering and purchasing products via social platforms, and GenAI tools are gaining traction across younger demographics. This split suggests adoption is growing, but the customer mindset is nuanced—marked by a desire for utility without feeling surveilled or steered.

For CMOs, the opportunity lies in building AI and social commerce tools that enhance—not override—consumer autonomy. Brands that prioritize transparency, choice, and self-guided discovery will be better positioned to gain trust and grow adoption over time.

JULY 2025

BY INDUSTRY

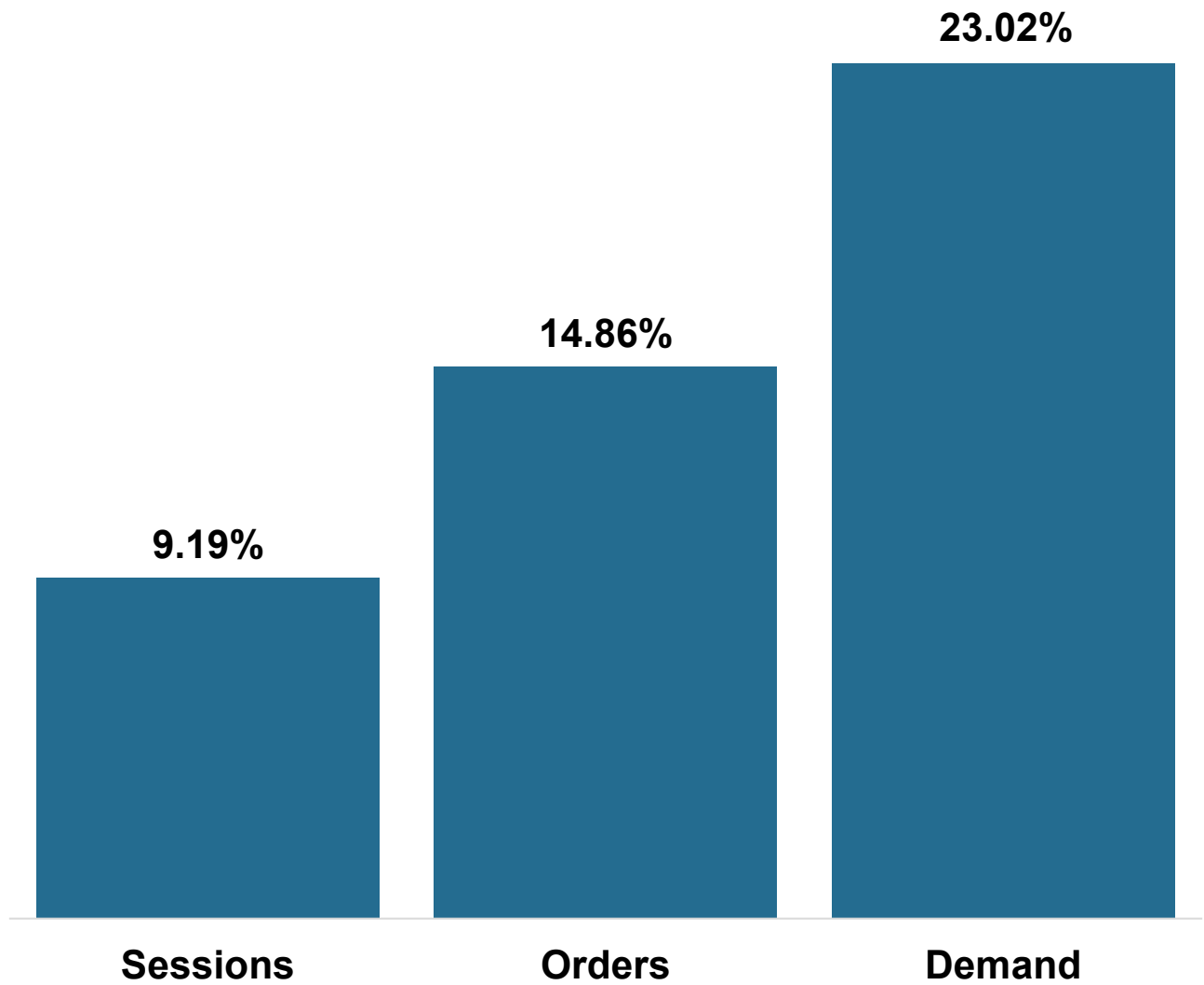
APPAREL



Apparel Industry

Apparel sessions were up by +8.95% compared to July last year. However, orders rose by just +1.48%, and demand +1.45%. Consumers continue to actively shop for apparel, but many brands are seeing lower conversion rates. On average, conversion rates were down -8% in July.

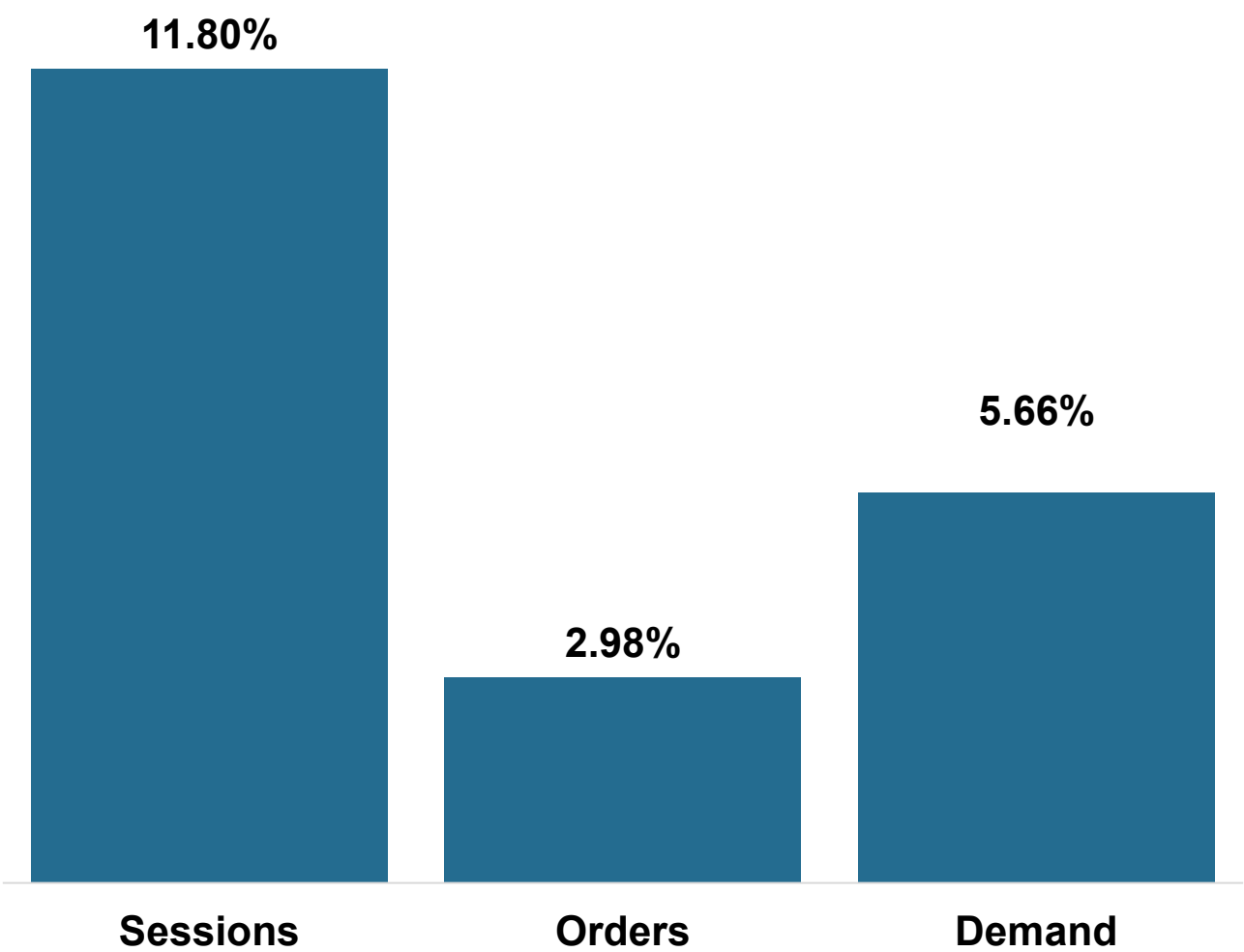
HOME



Home Industry

In July, sessions for home brands rose +9.19%. Orders increased +14.86%, and demand surged +23.02%. These results underscore sustained momentum in the home category this year, driven by both traffic growth and sales performance.

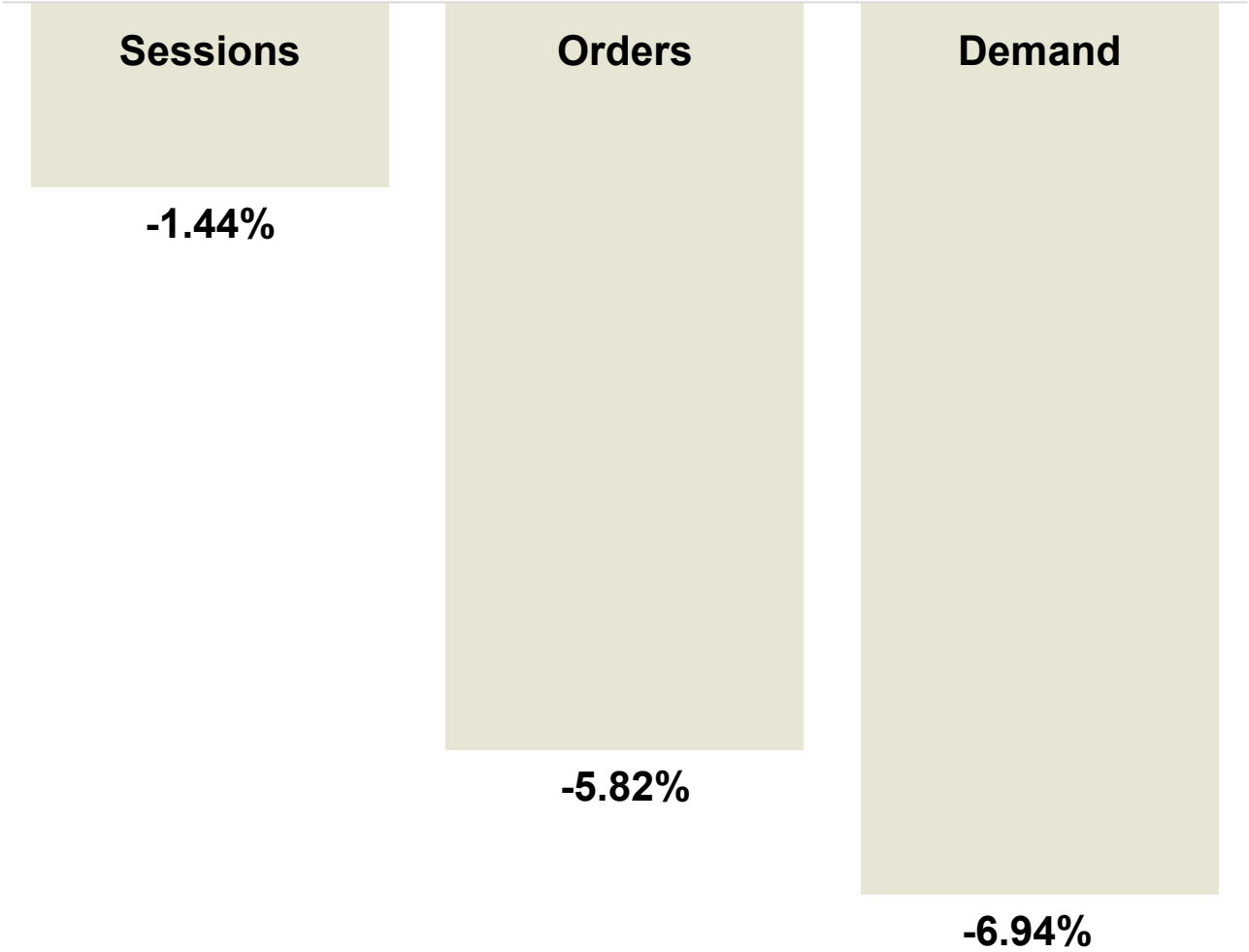
OUTDOOR



Outdoor Industry

Outdoor brands saw a +11.80% increase in sessions, orders rose +2.98%, while demand climbed +5.66%. Increases in orders and demand are a positive trend. While traffic is healthy, brands have an opportunity to sharpen merchandising and promotional strategies to continue growth and improve conversion.

SPECIALTY



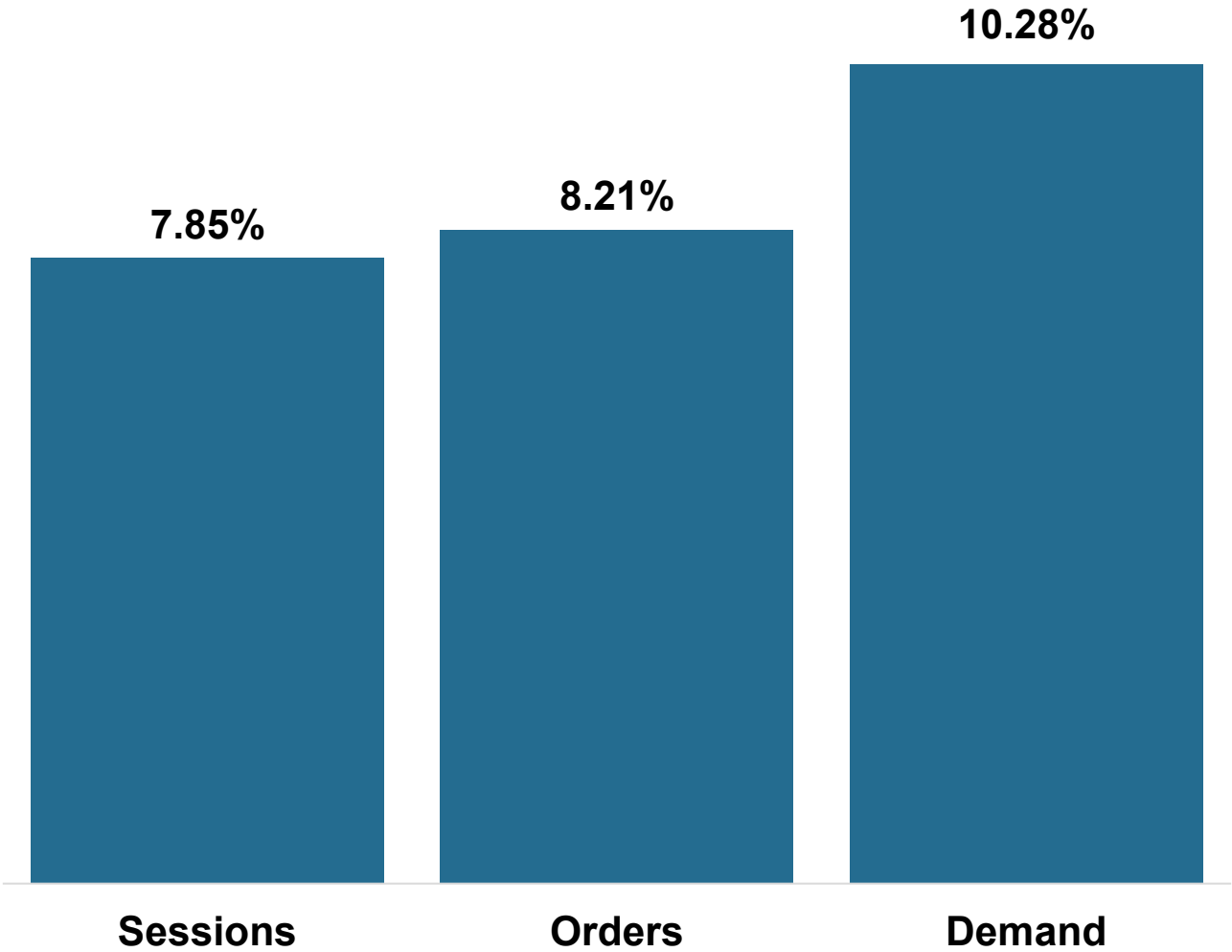
Specialty Brands

Specialty retailers saw a slight dip in sessions (-1.44%), with orders down -5.82% and demand declining -6.94%. These brands have seen the greatest challenges from more measured consumer spending. Despite declines, targeted campaigns and refreshed assortments can help re-engage audiences, especially during the holiday season.

JULY 2025

BY REVENUE

TIER 1 BRANDS / \$100M+



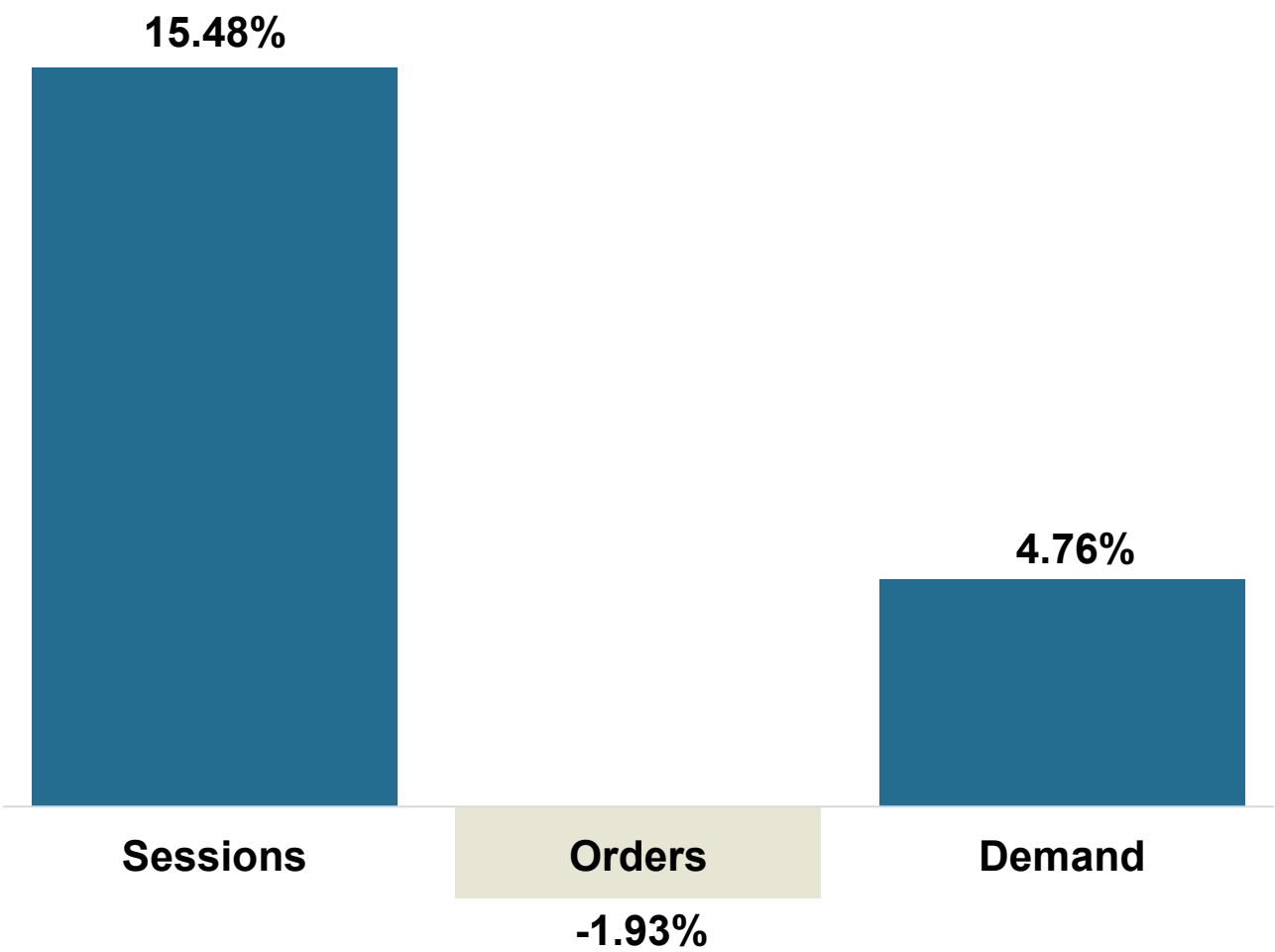
Tier 1 Brands

Tier 1 brands showed strong performance in July, building on June’s momentum. Sessions grew +7.85% (vs. +7.24% in June), and orders increased +8.21%, nearly doubling June’s +4.13% growth.

Notably, demand turned around sharply, moving from -5.11% in June to +10.28% in July, indicating improved average order value (AOVs) and stronger consumer spend

The alignment across traffic, orders, and demand suggests a healthier conversion and increased purchase intent heading into late Q3.

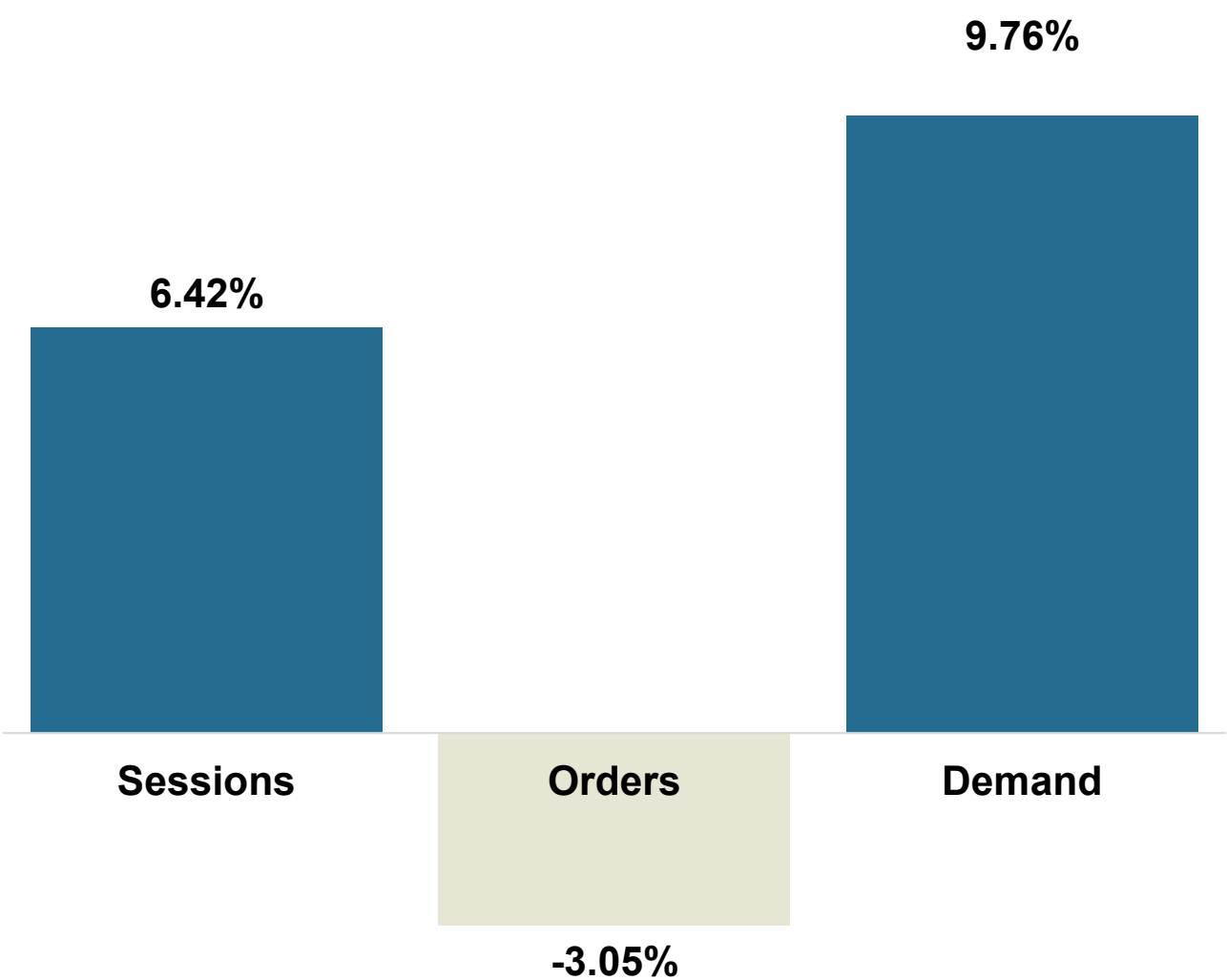
TIER 2 BRANDS / \$15-\$100M



Tier 2 Brands

Tier 2 brands showed strong traffic growth in July (+15.48%), though slightly below June’s +17.36%. Orders declined to -1.93% (vs. +5.53% in June), suggesting conversion softness despite elevated sessions. Demand improved to +4.76%, up from +1.76%, indicating stronger AOVs even as order volume fell. To fully leverage sustained traffic gains, strategies should prioritize enhancing conversion performance.

TIER 3 BRANDS / \$15M or Less



Tier 3 Brands

Tier 3 brands saw steady traffic growth in July (+6.42%), slightly above June’s +5.35%, indicating consistent user engagement. Orders declined further to -3.05% (vs. -1.88% in June), pointing to ongoing conversion challenges. Demand jumped to +9.76%, up from +4.55%, suggesting higher AOVs or stronger spend among buyers.

For smaller and more niche brands, the focus should be on improving conversion efficiency to better capitalize on growing traffic and higher-value transactions.

IN THE NEWS



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