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Emerging retail and consumer trends

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Introduction

In Q3 2025, the retail and consumer products landscape continues to evolve. This report uncovers three timely trends in the marketplace, from the rise of omnichannel shopping to the humanization of pets fueling a new economy, and the ascent of private-label brands as trusted staples, each fueled by Gen Z consumers (born between 1997 and 2012). This young generation is not simply driving change but also redefining expectations across channels, categories, and experiences.

Our report looks at the following notable trends:

1. Click-and-mortar: Gen Z's unexpected omnichannel approach
2. Sit, stay, spend: How the humanization of pets created a new economy
3. Store brands to staples: The new go-to for customers

Trend 1

Click-and-mortar: Gen Z's unexpected omnichannel approach

Gen Z's shopping habits: Challenging conventional assumptions

Though often labeled 'digital natives,' Gen Z is the "most authentically omni-shopping generation" —blending digital discovery with a strong preference for in-person shopping.[1]

Gen Z uses online social media market places, such as Instagram and TikTok, more than any other, with 64% of Gen Z using social media to research products, and 35% of Gen Z using social media to discover products, almost 2x the rate of older generations.[2,3] Furthermore, 33% of Gen Z uses online forums to learn about products, compared to 21% for non-Gen Z consumers.[3]

Despite this digital fluency, almost 50% of total Gen Z spending is from in-store mass merchandise and grocery purchases and 73% of Gen Z shop in-person at least once a week, compared to only 65% of Baby Boomers.[1,4]

Omnichannel shopping extends well beyond Gen Z. In fact, most customers prefer hybrid experiences, with 56% of consumers researching online before making purchases in-store.[5] A 2024 survey found 34% of U.S. consumers regularly use buy-online, pick-up-in-store services, projected to grow 54% faster than overall e-commerce through 2030.[6] Conversely, many shoppers browse in-store but complete purchases online, using QR codes or websites for more options.[5]

Why Gen Z values in-person shopping

A recent survey asked consumers whether they consider in-person shopping to be a chore or an enjoyable experience. 57% of Gen Z respondents viewed it as enjoyable, compared to only 35% of Baby Boomers, highlighting the discrepancy between the way that Gen Z perceives in-store shopping versus other generations.[4]

This preference is no surprise to Roberta Katz, Stanford University senior research scholar and author of Gen Z, Explained: The Art of Living in a Digital Age, who explained that Gen Z is particularly aware of the importance of remaining human in the digital age, and especially appreciative of face-to-face communication that in-store shopping provides.[7] Having come of age during the pandemic, Gen Z now embraces in-person interactions, including shopping, more enthusiastically.

Retailers embracing the omnichannel wave

Retailers are taking note. A recent survey indicated that 99% of leaders plan to invest in omnichannel data integration, and that 61% of companies with omnichannel solutions in place have already noted a more consistent consumer experience.[8]

- Wegmans released an updated website and mobile app in April 2025 to integrate the online and in-person shopping experiences.[9] The update allows users to track what they have already added to their cart while helping them navigate the store to find what else is still on their shopping list.
- In the automotive industry, brands have started to offer virtual test drives, video reviews, and augmented reality car visualizations both online and in-person with digital kiosks.[10] A survey of Cars.com users found that despite Gen Z often beginning their car journeys online, they still prefer to purchase cars at dealerships.
- Princess Polly, which started as an online-based retailer, has opened a handful of physical stores in the past year.[7] Courtney Dres, the brand's chief merchant explained that this decision was based on customer feedback from those wanting to try on clothing in-store before making a purchase.

The road ahead

With Gen Z's spending power projected to reach $12 trillion by 2030, retailers should consider evolving to meet their expectations. Success will require seamlessly blending digital convenience with experiential retail.[11] Tools such as virtual try-ons, AI-driven sizing, and mobile apps that integrate product discovery with in-store navigation can enrich both channels.

Equally important, retailers can reimagine physical spaces to be more than transactional hubs. Pop-up events, influencer-led demonstrations, immersive workshops, and Instagram-ready installations turn stores into destinations—merging community, technology, and shopping in ways that resonate with Gen Z.

Trend 2

Sit, stay, spend: How the humanization of pets created a new economy

From pets to family: The blurring line

Imagine dining at a café where your dog gets a gourmet menu, or seeing friends throw birthday parties for their iguanas. The line between "pet" and "family member" is quickly disappearing as pets become integrated into every part of daily life—from personalized portraits to custom "catios" (cat-patios).

This humanization trend is driving a new wave of personalized, preventative health solutions for pets. People are not just caring for animals—they're nurturing companions whose well-being mirrors their own. As a result, pet wellness is now managed with the same sophistication as human healthcare, reflecting a broader cultural shift in how we value and care for our pets.

Pet owners are spending heavily on their pets, sometimes rivaling their own personal expenses. With the global pet industry set to grow more than 45% over the next five years, and exceed $500 billion by 2030, this shift reflects changing consumer behaviors and preferences towards organic foods and healthier products.[12]

Barking up the right tree: Where innovation meets investment

Several innovative companies are leading the way in this new era of pet wellness:

- Freshpet is disrupting traditional pet care by offering refrigerated pet food made with human-grade ingredients, setting a new standard for quality. As a leader in the premium pet food market, the company continues its strong growth, reporting $975.2 million in net sales in 2024 - a 27.2% increase year over year.[13]
- Chewy, a popular retail marketplace for pet products, has further strengthened its reputation as an industry leader with its "Connect with a Vet" service. This virtual telehealth solution allows pet owners to chat live with licensed vets to address concerns about their pets' well-being. Recently, Chewy announced that the service surpassed 1 million consultations- a milestone reflecting the growing demand for accessible, expert pet care.

- Maven Pet offers the first subscription-based, veterinarian-recommended health monitor for pets. The integration of technology, data, and individualized care empowers pet parents to monitor their pets' health in real time, shifting focus from reactive treatments to holistic, preventive strategies. As winner of Purina's 2025 Pet Care Innovation Prize, Maven received $25,000- highlighting corporate interest in early-stage innovation in pet care. [14]

The success of Freshpet, Chewy, and Maven demonstrates the rapid pace of innovation in pet wellness and signals a broader trend: private investors are increasingly recognizing the sector's potential, fueling a wave of high-profile deals and funding rounds.

Blackstone's landmark acquisition of Rover for $2.3 billion[15] in 2024 marked a major milestone, while science-backed products continue to draw significant capital.[16] Vetigenics, a biotechnology start-up committed to advancing anti-body based therapies, recently secured $6 million in seed funding to support clinical trials and scale operations.[17] Butternut Box, a supplier of fresh, quality dog food, also raised £280 million in 2023 and followed up with an additional £75 million in debt financing in 2025.[18] These investments solidify the pet care industry as a vibrant and rapidly expanding market.

Younger generations lead the pack

Nearly one-third of the Gen Z population are already pet owners – and are continuing to drive significant growth in pet ownership.[19] Gen Z's affinity for wellness, reflected in habits like embracing "clean" or plant-based eating[20] and prioritizing real-time fitness tracking[21] – directly shapes into their demand for premium, personalized pet care that mirrors their own preferences. Despite financial pressures, Gen Z spends more on their pets than any other generation, totaling about $509 in monthly expenses ($6,000 annually) per person.[22] Similarly, 63% of millennials prioritize spending on their pets over themselves.[22] Their commitment to pet wellness highlights the importance of authenticity and personalization; brands who meet these preferences can tap into the spending power of Gen Z.

The future is furry

Wellness is no longer just a buzzword – it's a holistic priority for consumers and their pets, and brands that invest in these health-conscious practices stand to win big. Today's shoppers are seeking products and experiences that support healthier lifestyles, offering a unique opportunity for retailers to go beyond the basics and adapt to the evolving consumer landscape. Brands that champion wellness can appeal to health-conscious customers and build loyalty.

Trend 3

Store brands to staples: The new go-to for customers

Retailer's own private label brands – also referred to as "store brands" – are no longer simply the budget-friendly alternatives. Instead, they are a force reshaping the retail landscape, winning over consumers' trust across sectors and age groups.

Winning hearts for more than just price

While private label brands are not a new phenomenon, they have been growing in popularity for years and are at their highest levels of adoption. In 2024, nearly every household (99%+) purchased a private label grocery, health and beauty, or household items, despite private label products comprising less than 30% of each of these sectors[23]. Overall, sales of private label products grew nearly 4% from 2023 to 2024[24].

Unsurprisingly, one of the main drivers behind the adoption of private label products is their attractive price point. Private labels usually do not incur extraneous branding, marketing expenses and store placement fees, allowing retailers to price their products more competitively than their name brand competitors[25]. Amidst an increasingly inflationary and tariff-driven market, consumers are favoring these cheaper alternatives, leading to increased demand.

The rise of private labels has erased the old stigma that 'generic equals inferior.' Once viewed as the cheaper, less effective option, private labels now rival national brands so closely that 72% of consumers can't tell them apart in side-by-side comparisons[26,27]. In fact, 84% say they trust private label quality as much or more than national brands[27].

This trust is primarily fueled due to the relationship customers have with retailers – 59% of customers report trusting store-branded products because they are endorsed by the retailer[28]. Retailers are taking advantage of this phenomenon, enticing customers to opt for private label products through promotions – 52% of consumers say they have been influenced to try store-branded products by in-store promotions and marketing materials[27].

Choosing what's inside

When it comes to adoption, younger generations are leading the charge in adoption. Though the drivers above (price point, quality, trust) are seemingly generation-agnostic, Gen Z and Millennial shoppers are more brand-loyal than older generations – they favor the experience and "care more about what's in the box"[29]. By 2026, Gen Z is projected to spend nearly 18% of their consumer packaged goods and general merchandise budget on private label brands, more than any other generation[30]. Some of Gen Z's favorite places to shop like Trader Joe's are retailers who carry more private label brands than their competitors[30,31].

The road ahead

Private labels are no longer retail understudies. As customers increasingly prioritize price, quality, and trust, they're showing with their wallets that private labels deliver on all three.

Traditional brands should seek to sharpen their competitive edge, particularly by:

- "Uniquify" products: Private labels erode traditional advantages by mirroring store-brand quality, reinforcing the perception that both are equal. National brands that differentiate through innovation or unique features are better positioned to stay ahead (ex. Oreo and LaCroix pride themselves on the constant innovation and variety of flavors offered)[32,33]
- Strengthen customer relationships: Competing on shelf space isn't enough. Traditional brands can win by deepening direct ties with consumers, building loyalty and offering experiences private labels can't match. For example, Nike's "Nike Collective" lets members co-design with athletes, access exclusives, and join live Q&As, positioning Nike as more than just a footwear brand[34].
- Leverage strategic partnerships: National brands could partner with retailers to launch or co-brand products in order to better compete with private labels (and even other national brands) for shelf space and customers' attention – brands such as Oak Essentials and Heather Taylor Home are seeing the value in doing so already[35,36].

Private label growth is not a passing fad – it is a sign of a structural shift in consumer expectations. The ultimate winners will be those brands that can deliver quality at an effective price point.

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Endnotes

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