



# H2 2025 Fashion Retail Outlook

FROM PREDICTION TO PERFORMANCE

RECALIBRATING YOUR STRATEGY FOR

# H2 2025

The first half of 2025 confirmed what savvy fashion brands already knew: agility and cross-channel strategies aren't optional – they're essential. Economic headwinds, cautious spending, and Apple's iOS 18 updates forced fast pivots as the landscape continued to shift.

Now's the time to go from reactive to revenue-driving. Fashion growth is projected at 3-5%, with non-luxury brands fueling the increase in economic profit. With tariffs reshaping sourcing strategies, and major players like Shein facing steep price hikes, a clear opportunity is emerging: fashion brands that respond strategically can capture value and strengthen their competitive edge.

In this follow-up to Listrak's 2025 Strategy Outlook, our digital experts reveal what played out in H1 and share client survey insights, live platform data, and actionable strategies to help fashion marketers win the second half.





# H1 2025 Recap

LOOKING BACK TO LOOK FORWARD

# What we saw in H1 2025

Behavior shifted towards immediacy, personalization, and mobile-first experiences.

Email struggled with deliverability and visibility, while SMS surged as consumers sought direct, frictionless communication.



## Email Engagement Declined

Growing inbox fatigue and new privacy updates have made it harder to break through:

- 👤 Nearly 50% of marketers' promotional lists were affected by changes to Apple Mail
- 👤 29% drop in CTR and RPS, yet CVR rose +7%, showing strong intent with those who remained engaged
- 👤 Re-Engagement Campaigns worked for lapsing subscribers, delivering a +20% lift in CTR and +67% increase in RPS



## SMS Showed Strength

As email growth slowed, SMS surged ahead with scale and immediacy:

- 👤 SMS efficiency improved YOY, sends were up 25% and revenue increased by 65% as fashion brands lean into SMS
- 👤 Broadcast/Marketing CTR jumped 17% as fashion brands see the channel mature & lists grow
- 👤 Browse abandonment & Welcome campaigns saw increased CTR (+6%) as retailers work to personalize the consumer journey
- 👤 RCS (Rich Communication Services) is emerging as the next frontier in owned marketing channels

Listrak is leading the charge, launching the first in-market RCS campaign with Dooney & Bourke in late 2024 and expanding carrier-partnered testing with hand-selected clients in 2025.

[Learn More](#)



WHAT WE HEARD:

# Insights from the Listrak Client Community

We kicked off the year by asking clients what they expected.  
Then we checked back midyear to see how reality measured up.



As brands shift from reactive to revenue-driving strategies in H2, and with holiday in the mix, retailers are optimistic that H2 will help them reach their full-year goals.

Start of 2025

44%

LISTRAK CLIENTS  
FORECASTED FLAT YOY  
PERFORMANCE

41%

ANTICIPATED MODEST  
GROWTH

Mid-Year 2025

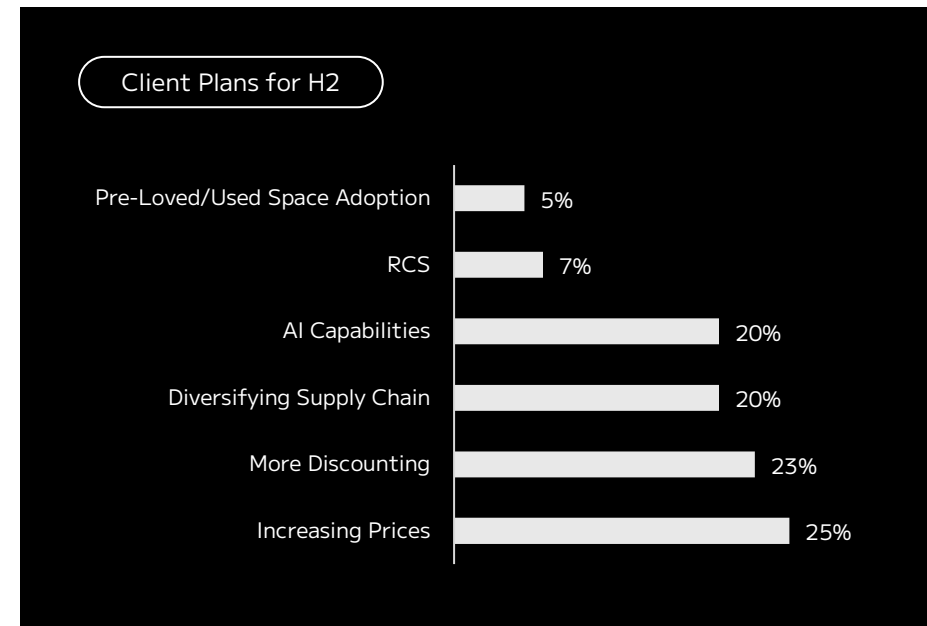
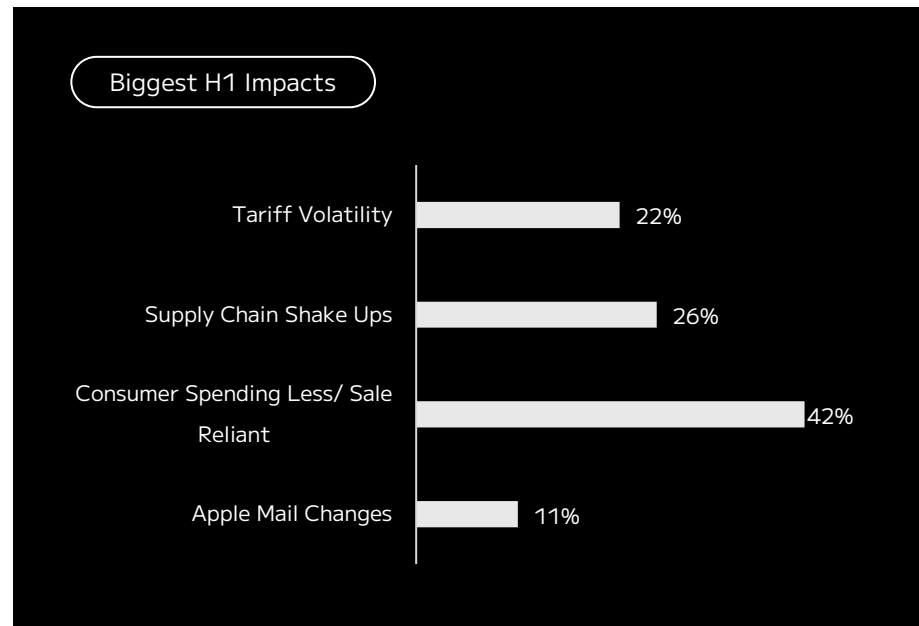
60%

OF CLIENTS PREDICT THEY  
WILL MEET OR BEAT 2024  
PERFORMANCE BY EOY

WHAT WE HEARD:

# Insights from the Listrak Client Community

You told us the key factors playing a role this year.



Consumer spending pullback drove H1 softness, and while tariff-driven price increases are expected in H2, a smart discounting strategy will be critical to staying competitive.

# Why Acquisition Strategy Matters More Than Ever

New customer acquisition is essential, but expensive. That's why brands are leaning into tools like Listrak's **Experience Builder** to maximize value from every visit and sign-up.

- Up to 70% YOY improvement in popup submission rates
- No-code, real-time personalization across key moments in the customer journey
- Supports both Email and SMS acquisition

[Learn More](#)



## Listrak Fashion Growth Trends

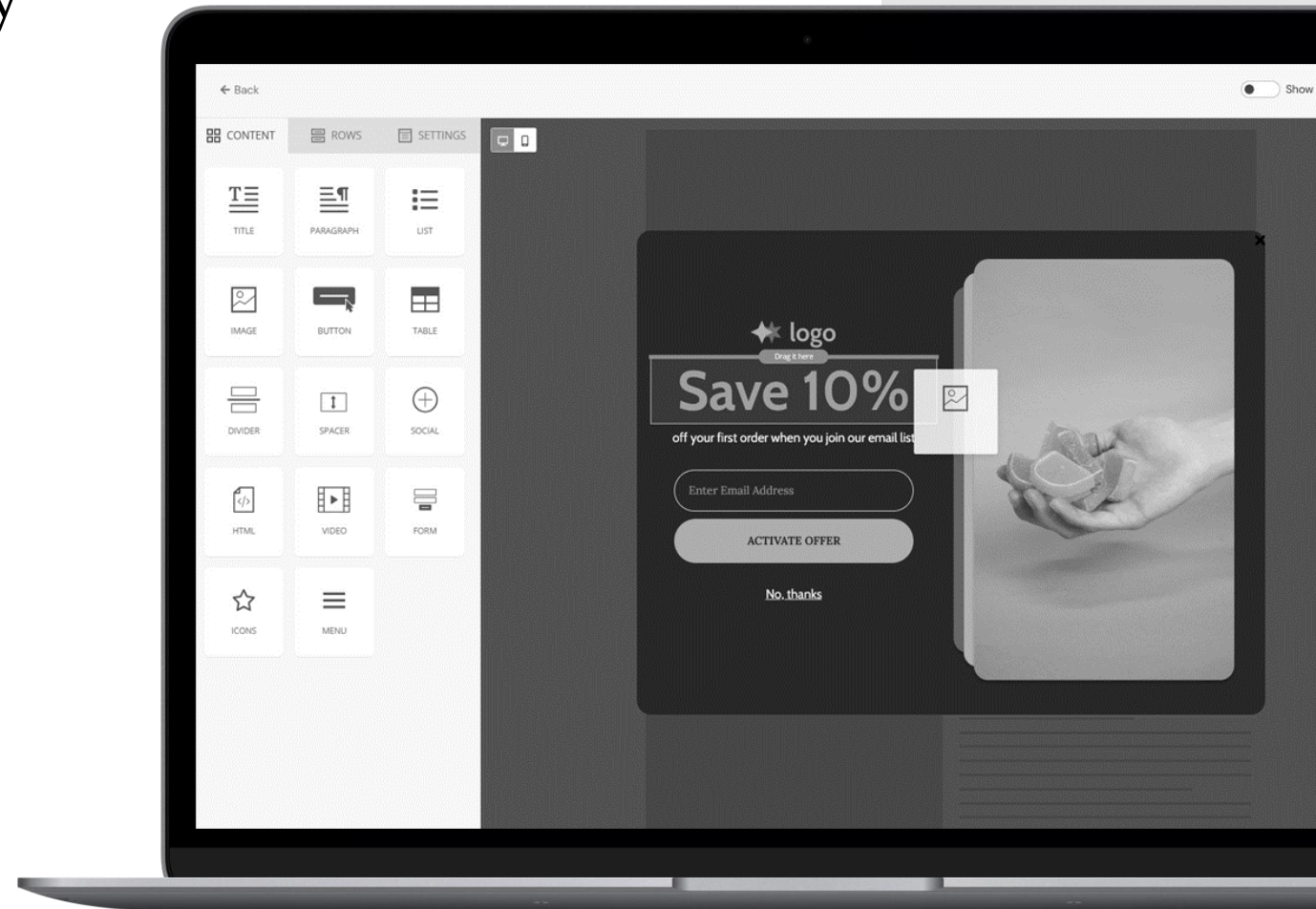
(JAN - MAY 2025)

+3.0%

EMAIL LIST GROWTH

+6.2%

SMS LIST GROWTH



# How Did our H1 Predictions Net Out?

COMPARING OUR 2025 OUTLOOK TO WHAT ACTUALLY HAPPENED

## PREDICTION #1: “The Conscious Consumer”

✓ Confirmed: Consumers are stretching their dollars further

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- Q1 consumer spending hit a two-year low
- Brand loyalty dipped as value took precedence
- Ethical and secondhand retail gained momentum, especially with younger shoppers
- Value retail players like TJ Maxx reporting strong results as higher household income shoppers feeling squeeze
- Private label products are seeing a 3.9% growth YOY as they gain traction as a cheaper option

## PREDICTION #2: Loyalty Programs Will Evolve

✓ Confirmed: Experiences move to center stage

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- Loyalty programs go beyond transactions, focusing on deeper engagement, personalization, and emotional connection
- Experience-first rewards over discounts, with brands like True Religion offering exclusive events to their top tier
- VIP tiers with early access, limited drops, free shipping, and in-store perks
- Listrak clients increase H1 2025 Loyalty Email Campaigns: +21% in sends and +75% in revenue YOY

## PREDICTION #3: Omnichannel Experiences

✓ Confirmed: Digital-first brands doubled down on physical retail

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- Omnichannel strategies moved from concept to execution
- SKIMS added an LA flagship store, and plans to open 16 more retail stores this year – stating it's “their single biggest growth lever”
- Fashion brands (like Anine Bing) are looking to diversify the entry price point of consumers by opening outlet locations this year
- Luxury brands added café concepts and exclusive in-store perks to elevate physical touchpoints





# H2 2025 Outlook

WHERE WE'RE HEADED & HOW TO WIN



MACRO TREND ALERT:

## Diversifying Price + Product Mix

65% of fashion executives plan to expand into products that allow for a diversification on price within their assortment. This will create an entry point to their brand for price-conscious consumers, while also building more luxury products for their top spenders to continue to purchase.

# Three Micro Trends

THAT WILL DEFINE H2 2025

1

PRICE PRESSURE &  
VALUE-DRIVEN BEHAVIOR

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2

INVENTORY VOLATILITY  
& OPERATIONAL AGILITY

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3

THE EMERGENCE OF  
AI-POWERED SHOPPING  
ASSISTANTS

## Price will Continue to Matter Most

As 37% of shoppers plan to cut non-essential spending heading into summer and holiday, value will be critical for fashion retailers through 2H. To succeed, brands need to rethink pricing strategies, finding the right balance to appeal both to aspirational shoppers and those increasingly price-conscious consumers.

### Market Signals:

- “Dupes” are a trend that is sticking around into 2025, forcing brands to defend their quality as cheaper price points enter the space. Search trends peak for this term around holiday time
- Private labels (Target, Trader Joe’s, Costco) continue to scale with a lower price point and copycat innovation
- Pre-loved and rental goods are gaining ground (Nuuly, Rent the Runway)
- Closure of Shein's and Temu's tariff loopholes helped boost affordable competitors

## Listrak Tactics to Drive Value-Driven Engagement

- ☐ Trigger Price Drop Alerts via Email, SMS and App Push
- ☐ Automate campaigns for sale- and discount-engaged audiences
- ☐ Add strikethrough pricing in Product Recommendations
- ☐ Highlight clearance and pre-loved categories in email navigation/footers
- ☐ A/B Test:
  - Above-the-fold CTAs
  - Unused coupon targeting
  - Loyalty point visibility
  - Personalized subcategory offers

## Supply Chain Shifts Will Drive Stock Uncertainty Through Year-End

As retailers diversify away from China, inventory flow is becoming harder to predict. Imports from China dropped 65% YOY, and order cancellations are up 60% compared to 2020. These disruptions are already impacting availability and will likely continue into the holiday season.

### Market Signals:

- Supply diversification is increasing complexity
- Slow restocks are creating new urgency and unpredictability
- Low Inventory SMS Alerts drove a 42% YOY revenue lift, despite flat sends – proof that scarcity sells

## Listrak Tactics to Strengthen Inventory Messaging

- ☐ Audit inventory triggers: Align thresholds with today's fulfillment speed.
- ☐ Raise low inventory thresholds to reflect faster sell-through
- ☐ Extend recency windows for Back-in-Stock Alerts due to longer restock timelines
- ☐ Leverage implicit behavior (e.g. Browse, Abandonment) to audit-trigger more timely inventory touchpoints

## AI is a Go-To Shopping Tool

In 2025, 53% of consumers plan to use AI to support purchase decisions, and Listrak anticipates a growing shift from traditional search engines to AI assistants like ChatGPT during the holiday season.

Retailers are adapting fast, investing in on-site AI tools that streamline product discovery, enhance personalization, and shorten the path to purchase.

### Market Signals:

- ChatGPT now surfaces reviews and Product Recommendations inside their tool to help customers discern what and where to shop
- 50% of fashion executives see generative AI as the key driver of product discovery in 2025
- 43% of retailers have already deployed chatbots on their site to help answer customer questions and reduce shopping friction
- +155% increase in traffic from AI tools to ecommerce sites YOY as consumers are starting their shopping journey there

## Listrak Tactics to Harness AI Power

- ☐ Personalize popups based on traffic source to highlight AI-driven features for AI-referred users
- ☐ Activate Channel Affinity in segmentation and journey splits to reach the customer in their most engaged channel first
- ☐ Leverage Listrak AI Product Recommendations in emails and onsite to personalize with each message open and each page navigated
- ☐ Utilize Predictive Analytics to create anti-churn campaigns for users that are likely to churn from your program based on their individual metrics

Listrak Intelligence





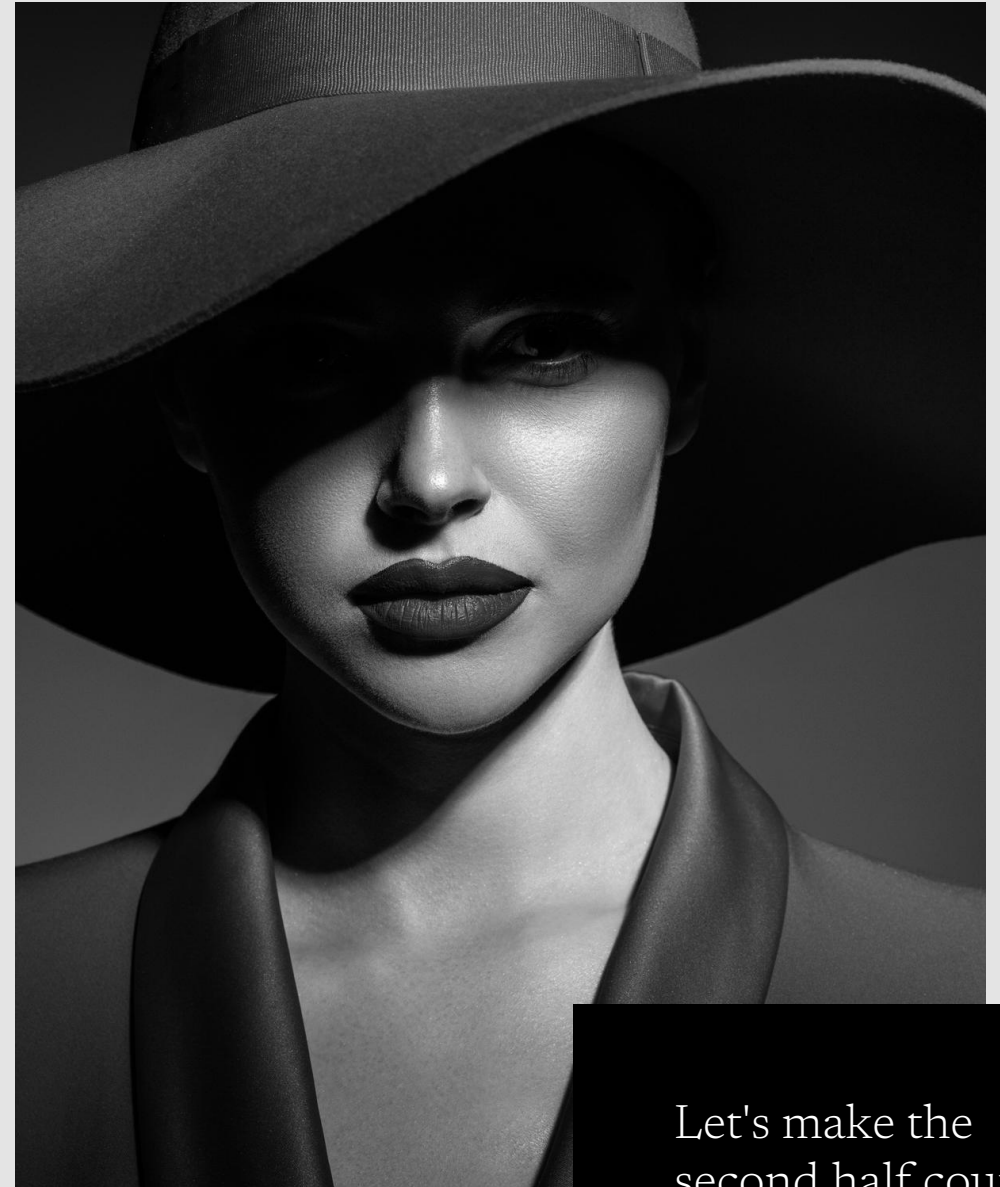
READY FOR

# What's Next

The first half of 2025 reminded us that retail success isn't about predicting the future – it's about being ready for it.

Consumer expectations are shifting, channels are evolving, and disruption is constant. But fashion brands that stay agile, data-driven, and focused on the customer experience are turning change into competitive advantage.

At Listrak, we're helping our fashion clients not just react to change, but lead through it. Whether it's optimizing for price sensitivity, managing inventory volatility, or tapping into the next wave of AI-powered commerce, we're here to help you execute with speed and precision.



Let's make the  
second half count.

# About Listrak

Listrak is the person-first marketing automation platform that seamlessly integrates data, identity, and cross-channel messaging to power hyper-personalized customer experiences. Built for leading retailers and brands, Listrak's email, mobile marketing, push, and web solutions drive growth, maximize efficiency, and deliver exceptional revenue results.

Ready to build your H2 2025 strategy? Contact us at [info@listrak.com](mailto:info@listrak.com).

Existing clients, connect with your Account Manager or reach out to [support@listrak.com](mailto:support@listrak.com).

## Sources

- **Listrak Intelligence** – Primary source of data and analysis throughout this report.
- Reuters – [US Consumer Spending](#)
- eMarketer – [Tariff Fallout](#), [Private Label](#), [Clothing Rental](#), [Gen AI & Shopping](#)
- Bloomberg – [Tariff Supply Shock](#)
- McKinsey – [State of Fashion](#)

