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# MAIN SPOTLIGHT: HOW RETAILERS ARE NAVIGATING CHANGE AND FINDING SUCCESS IN 2025

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Consumers are interested in businesses that focus on experiences. Photo by Jose Ignacio Martin Del Barco.

A successful retail strategy is grounded in a deep understanding of the national, regional, and local trends affecting businesses. Authored by Chief Impact Officer Matt Wagner, Ph.D., and Senior Director of Research Michael Powe, Ph.D., the 2025 Virginia Retail Matters report combines Main Street America’s national small business research with case studies and focus group findings from communities across Virginia to provide a detailed exploration of the state of retail in 2025.

You can use this report to:

- Understand the consumer trends that are impacting retail businesses.
- Navigate the changing tariff landscape.
- Help small business owners identify strategies for success.

Let’s dive into the report and explore some of the data. [You can read the full report here >](#)

## CONSUMER TRENDS DRIVING CHANGE

### 1. A Divided Consumer Landscape

High-Income Consumers are largely insulated from inflation and economic uncertainty. They continue to spend money on luxury goods, services, and discretionary items. Middle- and Lower-Income Consumers are significantly impacted by price increases, driving reduced spending and a focus on essential goods and value purchases.

*What this means:* The top 10% of U.S. households now account for half of all consumer spending — up from 36% over the past three decades. Businesses that target this segment are likely to see more success.

## **2. Millennials Lead Spending, Gen Z Shapes Culture**

Millennials are entering their peak spending years with a focus on authenticity, experiences, and social impact. Meanwhile, Gen Z has become the trendy generation, influencing style, platform use, and cultural movements across all age groups.

*What this means:* To reach both generations, you need to offer experiences and stories that resonate with their interests and values.

## **3. “Buy Less, Buy Better” Movement**

Consumers increasingly seek long-lasting, high-quality products over disposable alternatives. Fast fashion and disposable culture is out — a shift that benefits retailers focused on craftsmanship and durability.

*What this means:* Retailers need to select high-quality merchandise, focus on craftsmanship and longevity in their marketing materials, and make sure their products tell a story.





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