

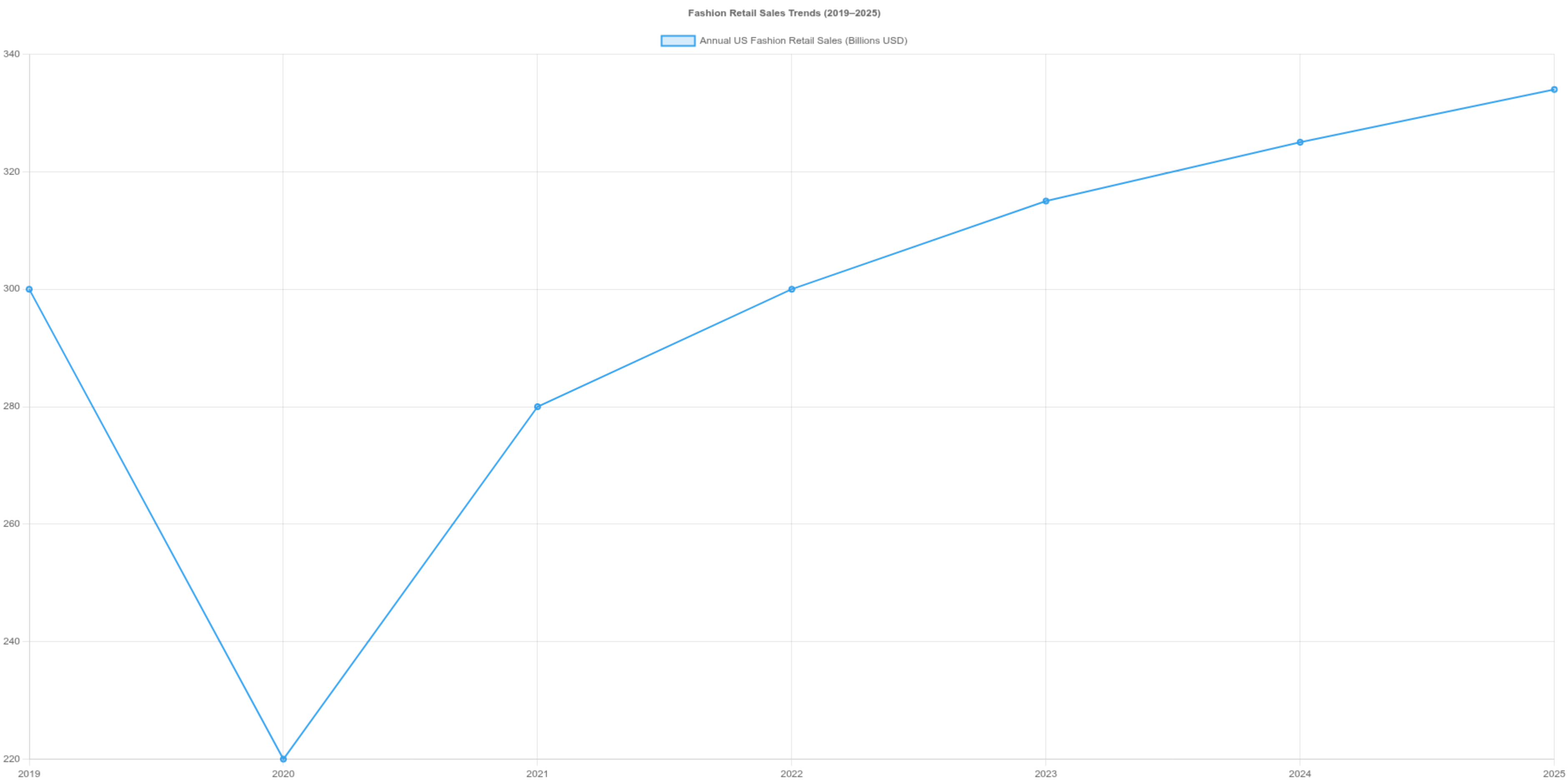
# US Fashion Retail Industry Report 2025

## Overview

The US fashion retail sector in 2025 faces a mix of slow growth and rapid change. Industry analysts expect low single-digit revenue growth, persistent inflation, supply chain uncertainty, and intense price competition. Online shopping now accounts for roughly half of fashion purchases, pushing brands to invest in digital channels.

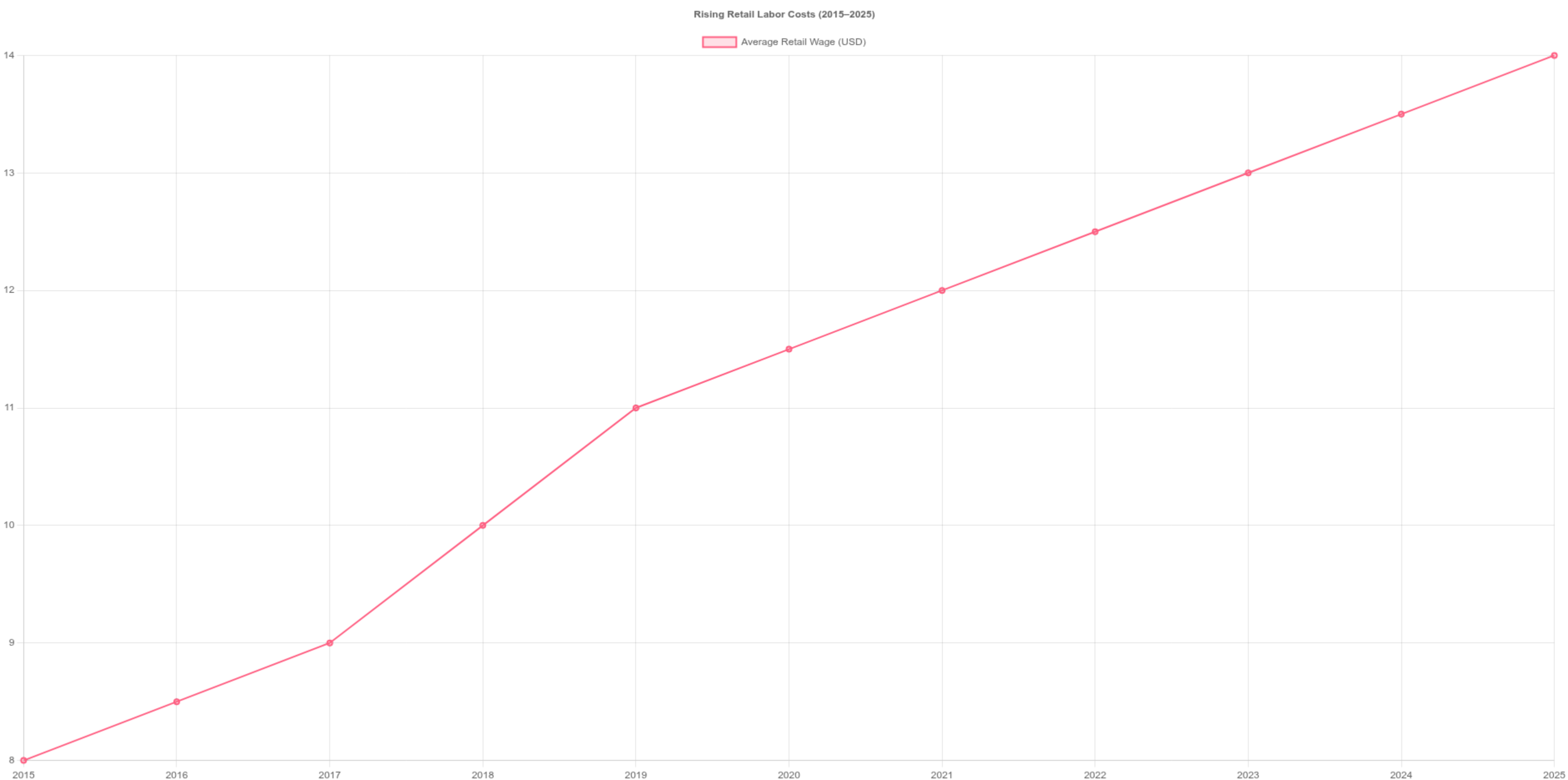
## Sales Trends

US fashion sales have stabilized after the post-COVID bounce. The US apparel market is projected at about \$365–370 billion in 2025. E-commerce continues to gain share, while physical stores still maintain a significant portion of sales.



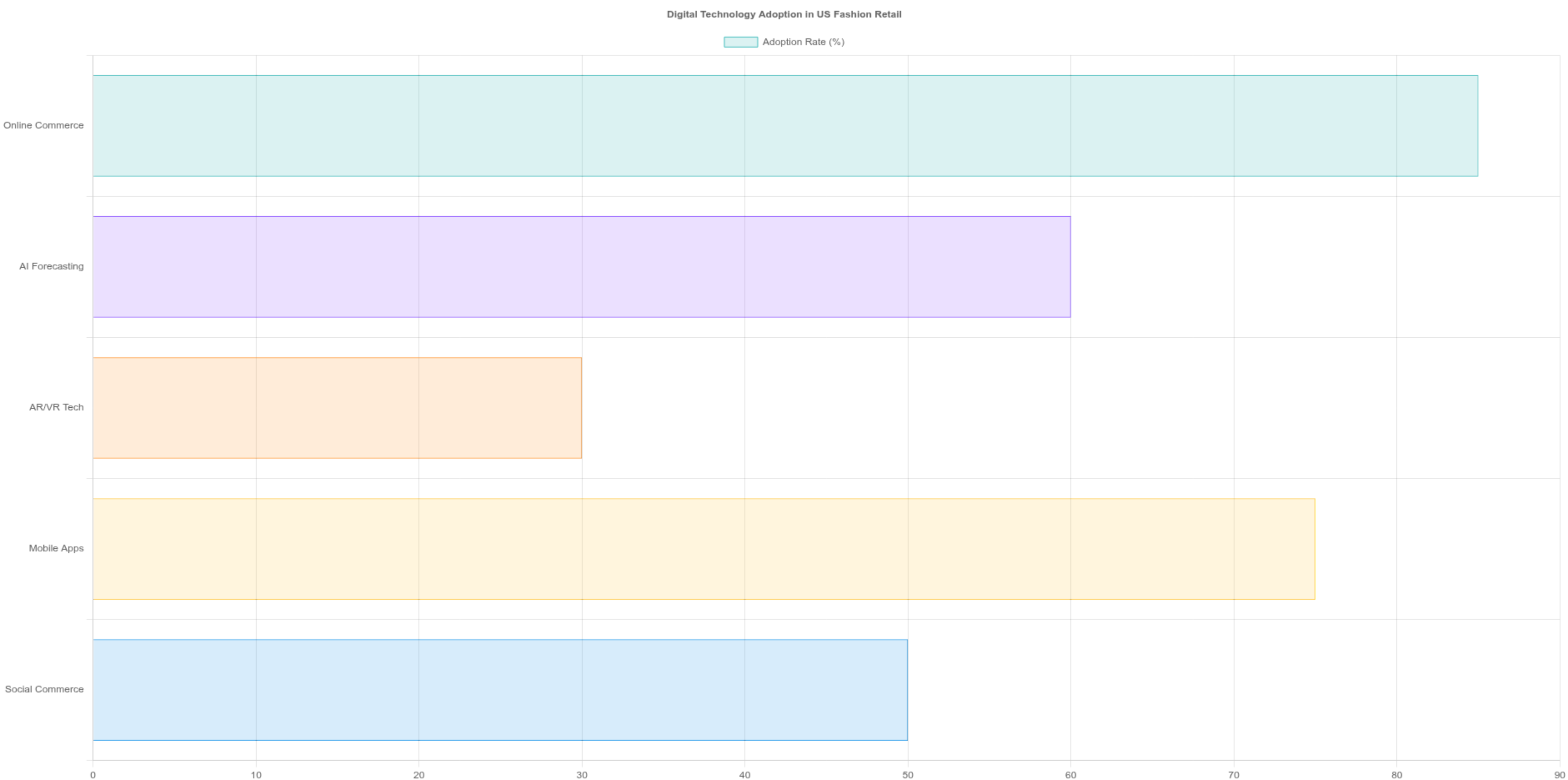
## Labor and Workforce Challenges

Rising wages and high turnover are major challenges. Retailers are investing in employee retention, training, and flexible scheduling to reduce costs and improve productivity.



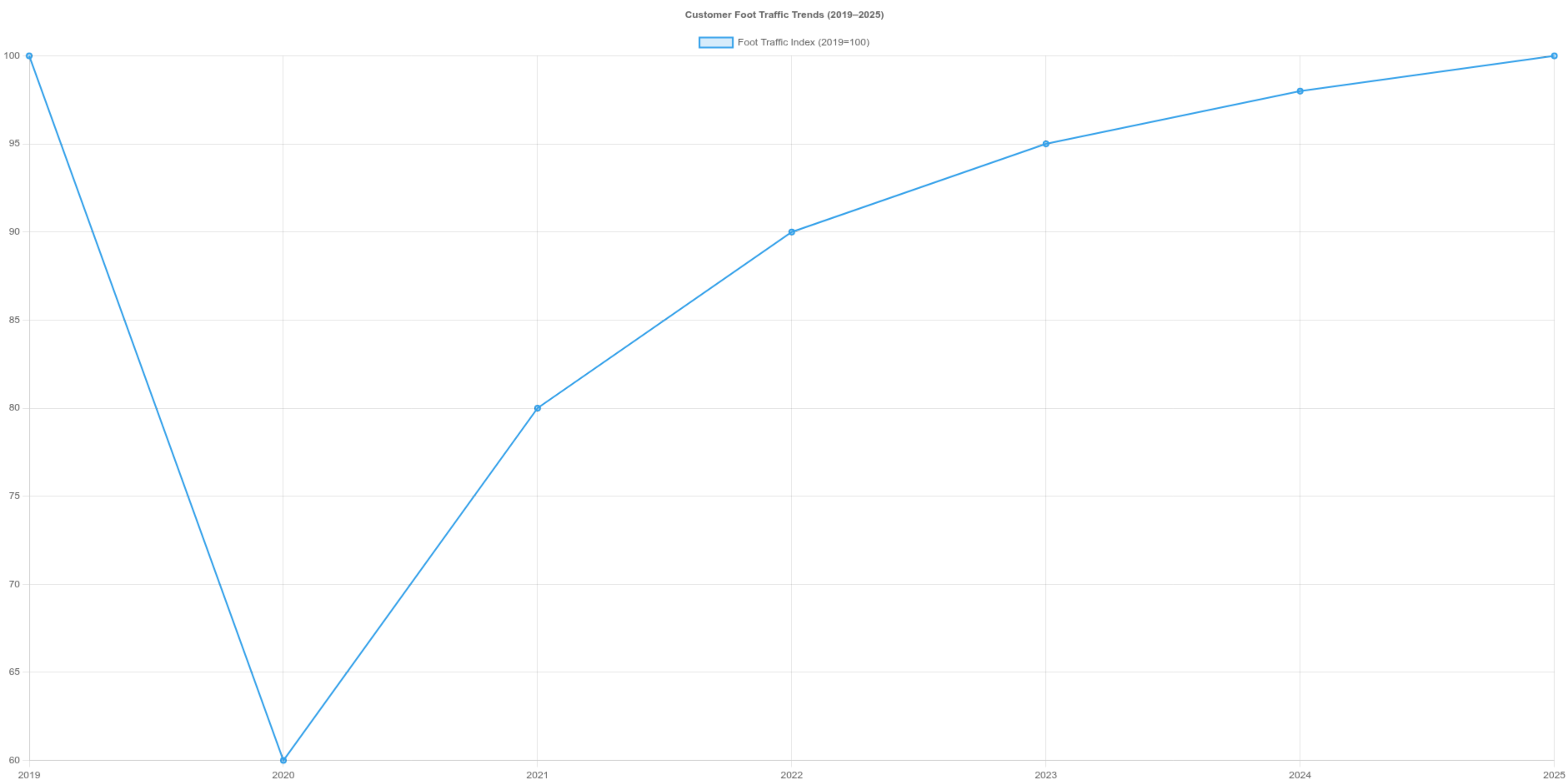
## Digital Adoption and Innovation

Retailers are integrating AI, AR/VR, and mobile apps to improve efficiency and customer experience. Omnichannel strategies and personalized digital marketing are becoming standard practice.



## Customer Foot Traffic Trends

Physical-store visits have not fully recovered across fashion retail. Luxury brands see declines, while off-price/value retailers experience growth. Retailers are enhancing in-store experiences and linking online and offline channels.



## Proposed Solutions

- Omnichannel Integration: Unified inventory and seamless BOPIS.
- AI and Automation: Demand forecasting, pricing optimization, warehouse robotics.
- Enhanced In-Store Experiences: AR/VR fitting rooms, interactive displays.
- Workforce Improvements: Flexible schedules, training, career paths.
- Value and Loyalty Focus: Expand off-price segments and loyalty programs.
- New Revenue Streams: Retail media networks, subscriptions, resale platforms.

## Investor-Relevant Insights

- Off-price and discount retailers outperform.
- Digital leaders gain efficiency and higher conversion.
- Customer experience investments drive retention and sales.
- Cost control and labor management are critical.
- Macro factors like inflation and price wars remain risks.
- Innovation and M&A provide growth and tech capabilities.