

A night cityscape with fireworks exploding in the sky. The city lights are visible in the foreground, and the fireworks are in the upper half of the image. The text is centered in a white box.

# The 2025 Outlook for Emerging Brands

**NIQ**

# The 2025 Outlook for Emerging Brands

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# Executive Summary

*With 2024 nearly behind us, what awaits emerging and growth brands in 2025?*

The 2025 outlook for emerging brands is shaped by an evolving market landscape characterized by shifting consumer behaviors, economic adjustments, and technological advancements. After a challenging 2024, brands must navigate a complex environment where inflationary pressures, sustainability demands, and the digital transformation of commerce continue to redefine consumer expectations. For emerging brands, these challenges also bring opportunities to differentiate, innovate, and capture market share by aligning with evolving preferences and leveraging data-driven insights.

Key trends driving the market in 2025 include growing demand for health-conscious, sustainable products and the rapid acceleration of e-commerce and digital platforms. However, the path to success also requires overcoming challenges like supply chain disruptions, stringent regulations, and balancing affordability with profitability. Brands that act strategically, foster loyalty, and adapt to demographic and behavioral shifts will be best positioned to thrive.

## ***Key Takeaways***

- **Economic Adjustments Impacting Consumer Sentiment**
- **Sustainability as a Consumer Priority**
- **Health and Wellness on the Rise**
- **Digital Transformation Reshaping Commerce**
- **Adapting to Regulatory Challenges**
- **Building Brand Loyalty**
- **Innovation as a Driver of Growth**

# Market Trends Shaping 2025

*Shifting consumer preferences and needs*

2024 was a challenging year for many brands. As we look to 2025, emerging brands face an evolving market landscape shaped by economic shifts, growing consumer consciousness, and advancements in technology. Navigating this environment requires understanding the underlying trends driving consumer behavior and brand expectations.

In this section, we'll examine the critical market trends shaping 2025, from the economic factors influencing purchasing decisions to the heightened demand for sustainability and health-focused products. We'll also explore the rapid acceleration of e-commerce and digital transformation, which are reshaping how consumers interact with brands.

For emerging brands, these trends represent both challenges and unique opportunities to innovate and differentiate in a competitive space.

Source: U.S. Bureau of Labor Statistics – Consumer Price Index; NielsenIQ, Total US xAOC, monthly periods ending October 26, 2024



# +2.6%

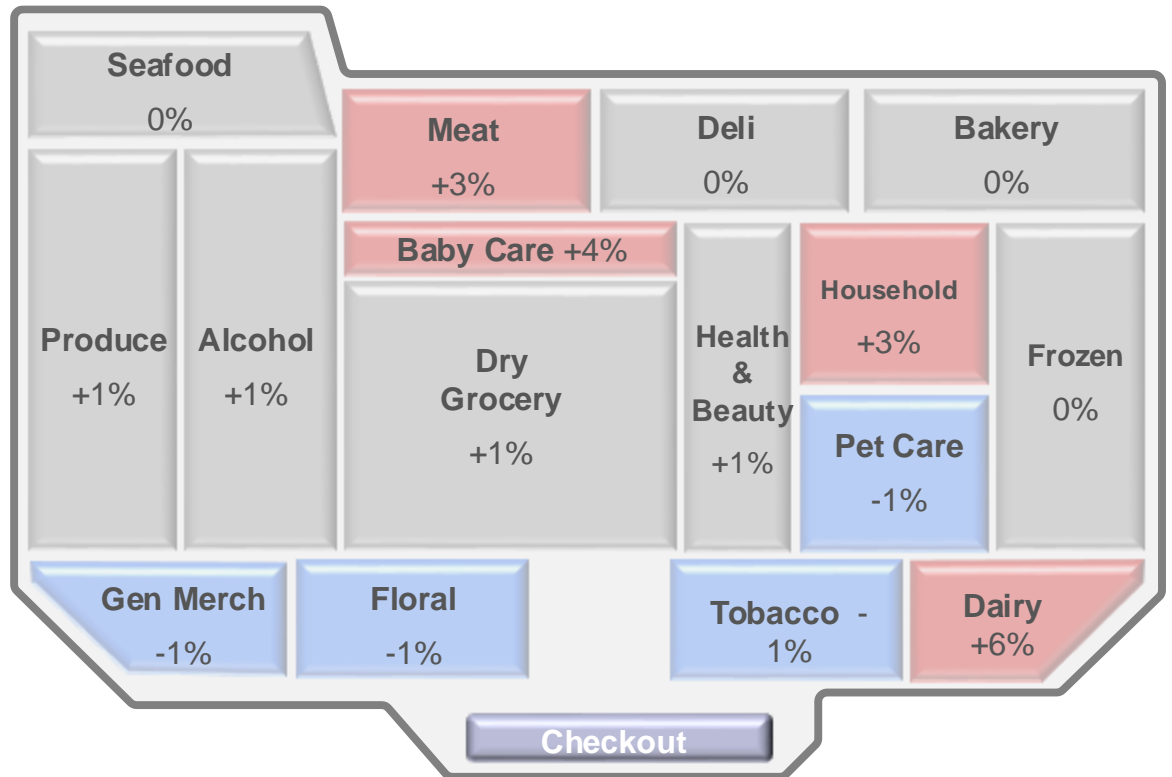
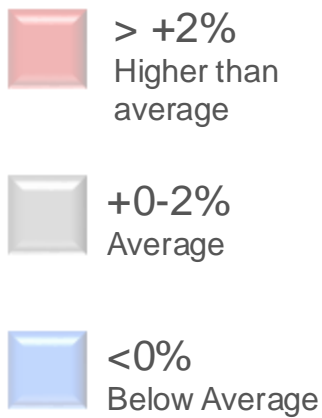
**Overall cost of  
living continues  
to rise**

# Market Trends Shaping 2025

*Increased prices are still plaguing several key departments*

## October 2024: Department Inflation Heat Map

Unit Price % Change  
Total CPG: +1%



Source: NielsenIQ, Total US xAOC, 4 weeks ending October 26, 2024



While there are signs of inflationary relief, key areas in the store are still being affected by inflated prices.

As inflation softens, it's important to highlight that the trend is - in part - driven by consumer behavior. As consumers seek out lower prices by switching stores, switching brands, and buying on promotion, prices adjust to the market evolution. In fact, 87% of American consumers have changed how they shop in order to manage expenses.

# Market Trends Shaping 2025

## *Sustainability and Wellness offer potential*

### Sustainability and Social Responsibility

Sustainability and social responsibility have become cornerstones of consumer expectations, and brands that prioritize these values are poised to gain traction in 2025. Today's consumers are increasingly seeking eco-friendly products that align with their values, with preferences for recyclable packaging, ethical sourcing, and carbon-neutral practices driving their purchasing decisions. In response, brands are not only investing in greener practices but are also facing a complex regulatory landscape designed to support sustainable production and reduce environmental impact. New and forthcoming regulations around packaging waste, carbon emissions, and sourcing transparency mean that compliance is essential for brands to remain competitive. Further, NIQ data shows that **77% of consumers** will quit brands that are found guilty of greenwashing.

### Health and Wellness

Health and wellness trends are reshaping the CPG landscape, with a growing demand for functional foods, plant-based alternatives, and clean-label products that cater to health-conscious consumers. For example, there were **451k online searches** for "Plant-Based" in the last year. Shoppers are also increasingly prioritizing products that support physical and mental well-being, driving brands to develop offerings enriched with vitamins, probiotics, and other functional ingredients. The shift toward plant-based and clean-label items reflects a broader movement away from heavily processed foods and toward ingredients that are natural, organic, and free from additives. This trend has also influenced purchasing behavior, as consumers now actively seek out foods that align with personal health goals, ethical beliefs, and lifestyle choices.

Source: NIQ 2023 Sustainability Report – The Green Divide; NIQ SnapView Report – Plant-Based Growth Opportunities

# Market Trends Shaping 2025

*Omnichannel is the future*

## Digital Transformation and eCommerce Growth

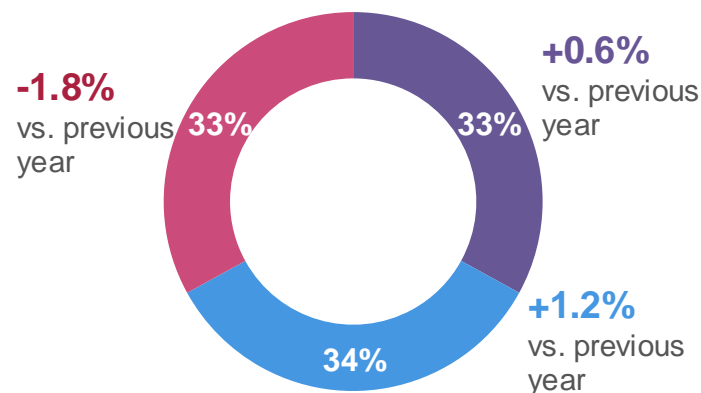
Digital transformation continues to be a driving force in the CPG industry, significantly reshaping consumer expectations and habits. By 2040, a staggering **95% of purchases** are projected to be made online. As more consumers embrace online shopping, brands are finding immense value in expanding their digital presence and creating seamless shopping experiences across channels. DTC models have become particularly impactful, allowing brands to connect directly with consumers, capture valuable data, and respond swiftly to shifting trends. Social commerce is also growing, driven by platforms like Instagram and TikTok, where brands can engage customers with shoppable posts, influencer partnerships, and personalized content. This convergence of e-commerce, DTC, and social media is fostering an environment that prioritizes convenience, personalization, and immediacy, offering emerging brands a pathway to reach new audiences, build loyalty, and compete effectively in an increasingly digital-first marketplace.

Source: Nasdaq; NIQ Omnipanel, Total U.S. measures of different trip types, Total CPG (excluding Fuel purchases), Latest 52 weeks ended Jun. 15 2024 vs. p. previous year

It's no secret that consumers are fluidly shopping across channels in this age, when omnichannels have become the norm and expectation in most markets. Largely speaking, the majority of U.S. in-store trips involve larger purchases, where 39% of spending is on "Stock Up trips including 12 items or more", and 38% of spending is on "Fill-in trips of 4-11 items", whereas, for U.S. online trips, the vast majority of spending (57%) is on smaller "Spearfishing trips of 3 items or less", followed by 27% on "Fill-in" and just 16% on "Stock Up" trips. All of this would seem to fall perfectly within expectation: people save their biggest trips for in-store and make more specific-item small purchases via online channels to get them through to their next in-store mission. But this is likely to shift as consumers choose to shop online more often.

### Share of spending by trip types

Total omni – US market



■ Spearfishing (1-3 items / trip) ■ Fill-in (4-11 items / trip) ■ Stock up (12+ items / trip)

# Key Opportunities for Emerging Brands

*Adapting to consumer behavior to grow*

As the CPG industry rapidly evolves, emerging brands are uniquely positioned to capitalize on new opportunities that can solidify their presence and growth in the market. Changing consumer expectations, shifts in purchasing behavior, and technological advancements have created dynamic pathways for expansion. However, with increased competition and a fast-paced environment, success for emerging brands depends on their ability to act strategically, pivot quickly, and stay responsive to market demands. Those that effectively combine innovation with agility will be best poised to build sustainable growth and brand relevance.

In 2025, some of the most promising opportunities for emerging brands lie in areas like product innovation, building brand loyalty, and engaging with specific consumer segments. By understanding and focusing on the needs of key market segments and demographics, emerging brands can establish meaningful connections with today's diverse consumer base, building not only market share but also lasting loyalty.



# \$12T

**Gen Z's estimated  
spending power  
by 2030**




# Key Opportunities for Emerging Brands

*The power of product innovation*

Consumers today are increasingly looking for products that are tailored to their unique needs, and this trend will only intensify in 2025. Health-conscious shoppers are demanding functional ingredients, transparency, and clean labels, while eco-minded consumers prioritize sustainable sourcing and minimal packaging.

To capitalize on these preferences, emerging brands have the chance to develop innovative products that not only meet these demands but also leverage data and technology to create personalized offerings. This could mean producing limited-edition products, exploring new flavor profiles, or even offering customization options through direct-to-consumer (DTC) channels. Brands that focus on developing distinct, customer-centric products can set themselves apart in a crowded market and build lasting connections with consumers seeking products that reflect their values.

A photograph of two women in a grocery store. The woman on the left is wearing a light orange button-down shirt and has her hair in a ponytail. The woman on the right is wearing a white floral top and has a headband. They are both smiling and looking at a green product in the woman's hands. The background shows shelves of various grocery items.

**As the grocery industry evolves toward a more seamless and personalized shopping experience, retailers must prioritize adaptability and innovation to meet the ever-changing needs and expectations of today's shoppers.**

**However, with 72% of products missing from retailers' search results and 70% lacking rich media, it's clear that retailers need to perfect the fundamentals before diving into AI and advanced technologies.**

Source: NIQ Brandbank Report – Retail Reinvented

# Key Opportunities for Emerging Brands

## *Building brand loyalty*

As competition grows in the CPG space, brand loyalty remains a powerful driver of sustained growth. Emerging brands have the advantage of starting fresh with no legacy systems or outdated approaches, allowing them to innovate in how they connect with customers. By creating engaging experiences—whether through interactive social media, immersive brand storytelling, or loyalty programs that reward repeat purchases—brands can cultivate loyalty in ways that resonate with modern consumers. Younger demographics, in particular, are drawn to brands that reflect their values and create a sense of community.

For emerging brands, this means that focusing on transparency, authentic storytelling, and mission-driven marketing can help foster deeper loyalty and encourage advocacy. As loyalty programs continue to evolve, digital touchpoints like apps and interactive platforms will enable even stronger customer relationships.

Source: NIQ Report - SpendZ



# 67%

**Of Gen Z think private label products are just as good as national brands**

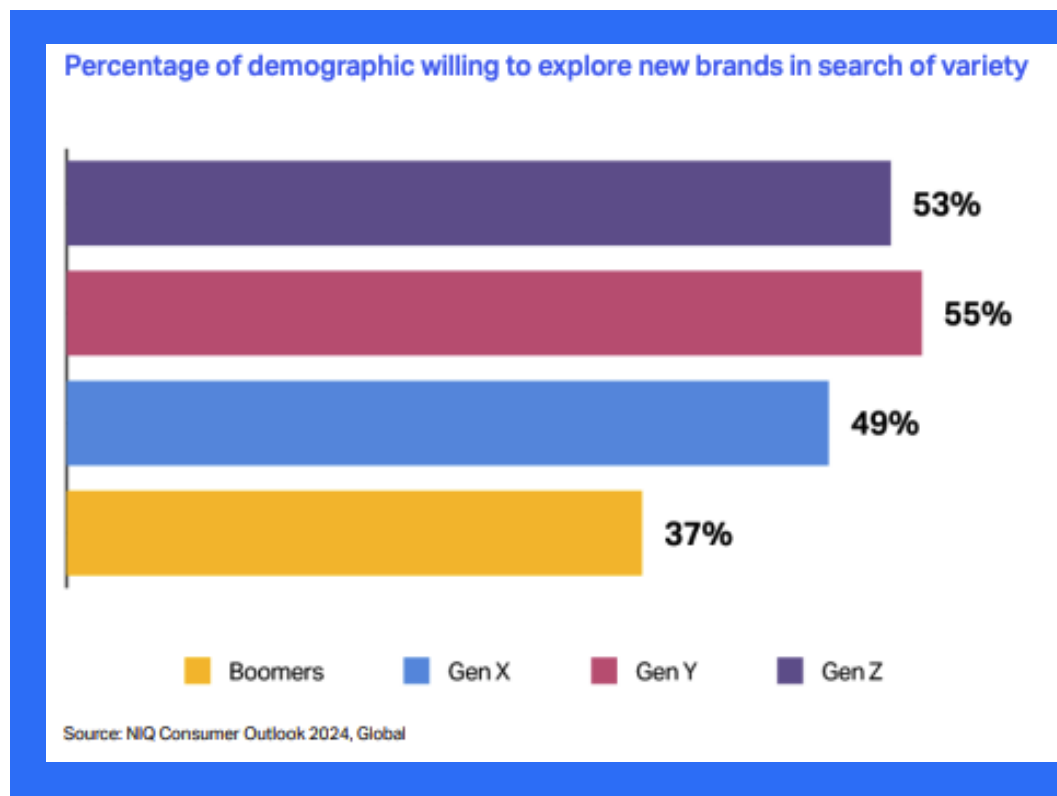
# Key Opportunities for Emerging Brands

## *Navigating key segments and demographics*

Understanding and engaging with distinct consumer segments is essential for emerging brands looking to build a sustainable presence. In 2025, brands will find success by identifying and targeting specific demographics, such as Gen Z, millennials, and multicultural consumers, whose values and expectations continue to shape the marketplace. Younger demographics, like Gen Z, are known for prioritizing social responsibility, diversity, and innovation in their purchasing decisions. Reaching them effectively means brands should focus on authentic messaging, digital engagement, and purpose-driven marketing.

Multicultural segments also present substantial opportunities, with demand for culturally relevant products and diverse representation continuing to grow. By tailoring product

development, marketing, and customer experiences to reflect the preferences and needs of key segments, emerging brands can create meaningful connections and carve out dedicated market share across diverse consumer groups.



# Challenges for Emerging Brands in 2025

*Overcoming market shifts to compete*

Emerging brands face an intricate web of challenges as they navigate the evolving consumer landscape in 2025. From potential tariffs to supply chain vulnerabilities to competitive pricing pressures, the hurdles are multifaceted and demand strategic agility. Regulatory shifts add another layer of complexity, requiring brands to adapt quickly to evolving standards in packaging, labeling, and sustainability.

Amid these obstacles, brands must also contend with shifting consumer expectations and increased competition from established players. Successfully addressing these challenges involves more than just reactive measures—it demands innovative approaches, data-driven decision-making, and a deep understanding of market dynamics. By anticipating potential pitfalls and developing strategies to mitigate risks, emerging brands can position themselves to thrive in an increasingly complex and volatile market environment.

Source The Budget Lab at Yale University



**\$1,900 -  
\$7,600**

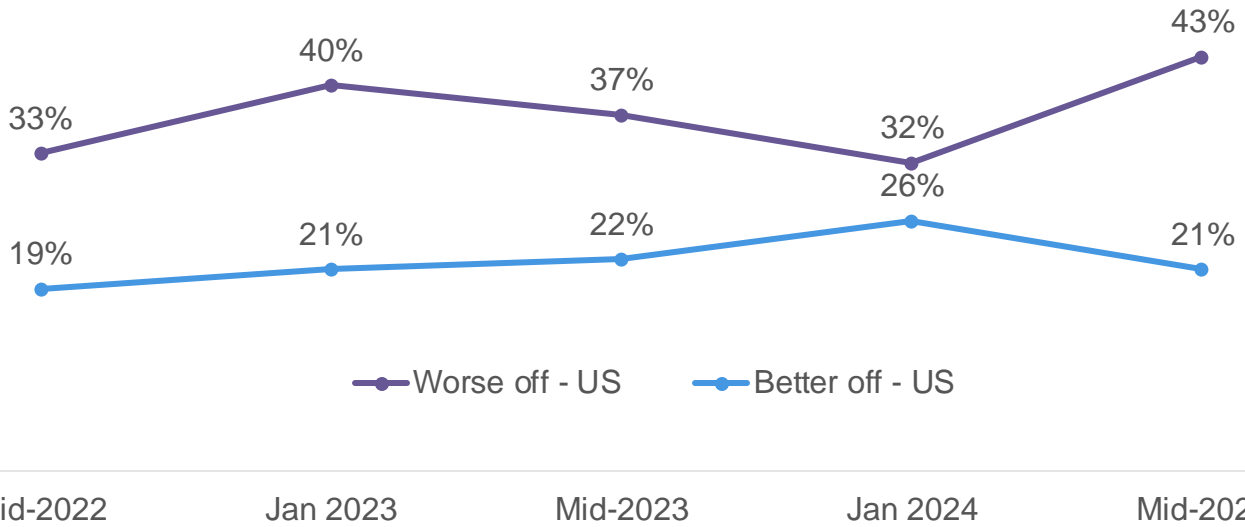
**Average cost per  
household of proposed  
tariffs**

# Challenges for Emerging Brands in 2025

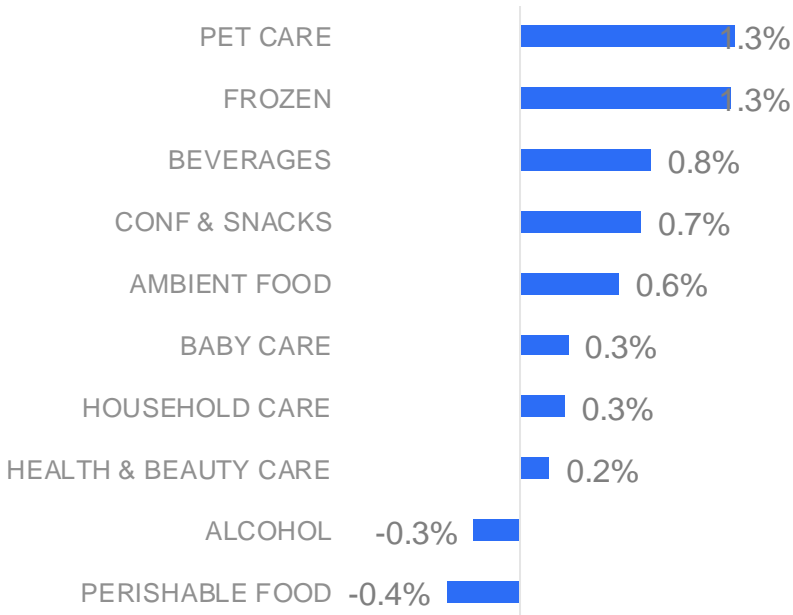
*Overcoming economic challenges*

*Consumer financial position. Sentiment year over year (% respondents)*

## U.S.



### Depth of discount increase by department: United States



**Overcoming challenges related to consumer financial sentiment and the overuse of discounts in the CPG space requires a thoughtful balance between value and perceived quality. With consumers still grappling with inflationary pressures, price sensitivity remains high, but excessive discounting can erode brand equity and set unsustainable expectations. To navigate this delicate terrain, brands should focus on creating value through tailored pricing strategies, such as offering tiered product lines that cater to diverse consumer budgets.**

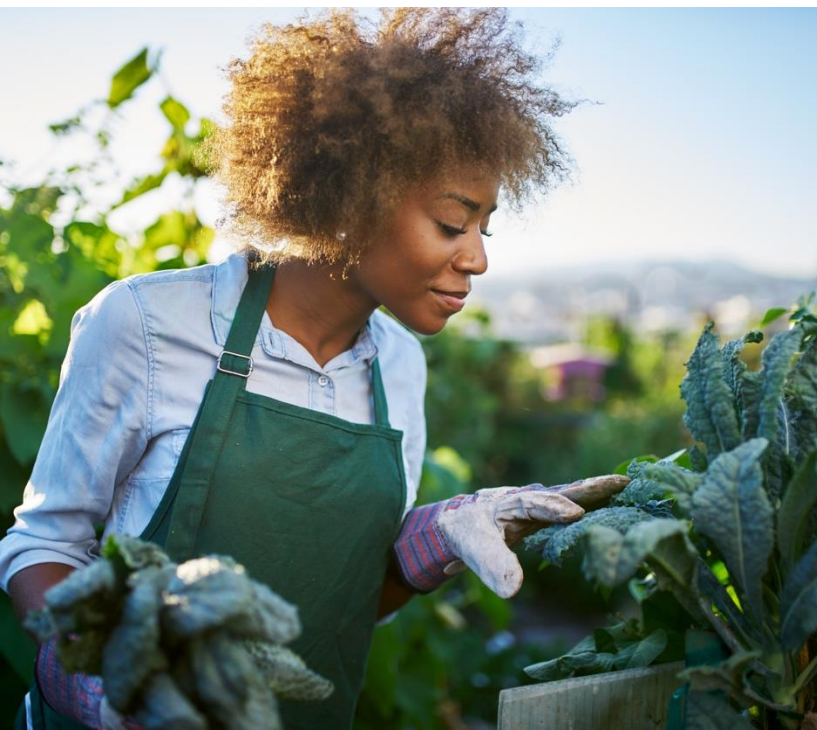
Source: NIQ Retail Measurement Services via Global Strategic Planner, Total CPG / FMCG, Regional data to latest year ended P3 2024. Europe spotlight: full coverage by industry, data to period ending May 19, 2024, Syndicated Incl Fresh 445, xAOC, 52 weeks ending 06.15.24

# Challenges for Emerging Brands in 2025

## *Regulations and sustainability*

Navigating the evolving landscape of regulations and sustainability presents a dual challenge for emerging CPG brands. Governments worldwide are tightening rules around product packaging, ingredient sourcing, and labeling to address environmental concerns and consumer demands for transparency. Compliance with these regulations can be costly and resource-intensive, particularly for smaller brands with limited budgets. Failure to comply, however, risks fines, product recalls, and reputational damage, making regulatory adherence an unavoidable necessity.

On the sustainability front, consumers increasingly expect brands to align with their values, prioritizing eco-friendly practices and ethical sourcing. This creates pressure for CPG brands to adopt sustainable operations, from reducing carbon footprints to ensuring supply chain transparency. While these initiatives can build loyalty and enhance brand equity, they also come with high upfront costs and logistical complexities, particularly when scaling across global markets.



# 77%

**of consumers  
will quit brands  
that greenwash**

# Next Steps

*There's one universal truth to success in today's market:*

**Data needs to lead the way**

## Getting ahead of the emerging dollar & volume slowdown

**-3%**

US volume growth in 2023 vs. +3% sales growth



As inflation decelerates, the slowing dollar growth will not compensate for declining volume rates. **Strategize to avoid over-promoting and support your bottom line.**

## Expanding assortment to capture new tiers of affordability

**Value  
Players  
Grow**

Value price tiers were the only group to see sales share growth (+0.6 pts) in 2023 custom analysis



Polarization between affluent and vulnerable consumers is driving an **expanded search for value options**. Anticipate demand for a new echelon of affordable products in 2024 and beyond.

## Embracing and exploring value-focused innovation growth

**52%**

of US consumers would buy a product that's innovated to make it as affordable as possible



Brands who continue to innovate have benefitted the most in times of market slowdown. **Innovation isn't only for premium positioning**, and brands will need to harness 'value-driven' pursuits to succeed.

# Next Steps

*There's one universal truth to success in today's market:*  
**Data needs to lead the way**

## Navigating the fluid channel dynamics of omnishoppers

**10%**

of US consumers say they have shopped via social media channels



Shopping 3.0: **remapping the consumer path to purchase** and who holds the cross-channel power. Embrace channel nuances to where consumers are shopping for staples around the world.

## Supporting the unique needs of consumers under pressure

**32%**

of US consumers feel worse off financially than a year ago. Static compared to Mid '23.



Life is a fine balance for pressured consumers. Unemployment remains steady. Wages lag inflation rate. As concerns like global crisis rise, **expect heightened competition for a smaller pie of consumer spending.**

## Connecting to demand for expanded & proactive wellness

**33%**

of US consumers say they're being proactive with health to prevent future issues (vs. 40% global average)



Wellness-focused spending poses potential growth. Consumers **see the value and importance of proactive health management**, and seek lifestyle shifts and product attributes to achieve health goals.



# Next Steps

*Adapt, adjust, and make gains in 2025*



## Promote with purpose.

**Don't sacrifice tomorrow by giving away today.** Balancing sustainability and profitability is crucial in a slowing market. Focusing on short-term volume can harm long-term profitability.



## Maximize assortment

**Don't be lost because you weren't found.** Value retailers are rising due to demand for affordability. Businesses can adapt marketing and products for diverse consumer needs and differentiate with a varied and expanded price-tiered assortment.



## Innovate to stay relevant

**No news could become your bad news.** Private Label growth involved innovating beyond basic value concepts. Brands must reevaluate their positioning and innovate how they appeal to consumers.



## Reach consumers where they are

**It's the wrong time to miss the right place.** Consumers move fluidly across channels to fulfill their needs, meaning growth will come from a balance of both online and in-store strategies.



## Make shopper-centric decisions

**Personalize your approach to providing value.** Growth in pressured times requires navigating consumer "trade-offs". Use the voice of the consumer to guide actions you need to cut costs.



## Be proactive & precise with wellness

**Uncover holistic, lifestyle-driven, attribute-focused growth.** Companies need to harness the power of the right messaging and product attribution to convert on consumers' interest in their health & longevity. Win with discerning wellness consumers of today.

# Make 2025 a Year of Gains with NielsenIQ

When the market is shifting, you need to be on top of your game if you're going to come out on top.

NIQ offers emerging and growth brands access to the same best-in-class, accurate data and high-quality insights that Fortune 500 brands leverage—at a price customized for their budgets.



Some of the solutions we can provide include:

- POS & Shopper Data
- Product Attribute Trends
- Omnichannel Sales Data
- Demand Forecasting
- Pricing & Promotion Optimization
- Assortment Optimization
- Expert Insights into Market Trends
- And More

We also know that businesses at different stages have diverse needs. Whether you're looking to nail your next retailer pitch, are expanding distribution, or need to defend your turf, we have the data and tools you need to succeed. Our solutions are tailored to provide actionable insights that address your unique challenges and drive measurable growth.

[Learn More About Our Emerging Brand Solutions](#)



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**About NIQ**

NIQ, the world's leading consumer intelligence company, reveals new pathways to growth for retailers and consumer goods manufacturers. With operations in more than 100 countries, NIQ delivers the most complete and clear understanding of consumer buying behavior through an advanced business intelligence platform with integrated predictive analytics. NIQ delivers the Full View.

NIQ was founded in 1923 and is an Advent International portfolio company. For more information, visit [NIQ.com](https://www.niq.com)