retail TouchPoints | design:retail

2025 BENCHMARK SURVEY

HOW RETAILERS ARE REAFFIRMING BRAND VALUE THROUGH THE IN-STORE EXPERIENCE

INTRODUCTION

Following a spike in store closures in 2024, research and advisory firm **Coresight Research** expects further escalation in this area. While store openings are expected to be steady, with approximately **5,800** new store openings nationwide this year, U.S. store closures are likely to reach nearly **15,000**.

These data points — not to mention the bankruptcies and mass closures of **Big Lots**, **Forever 21**, **Party City** and other big-name brands — are enough to instill panic in even the most seasoned retail executives. But analyzed as a whole, the data actually points to a more positive reality:

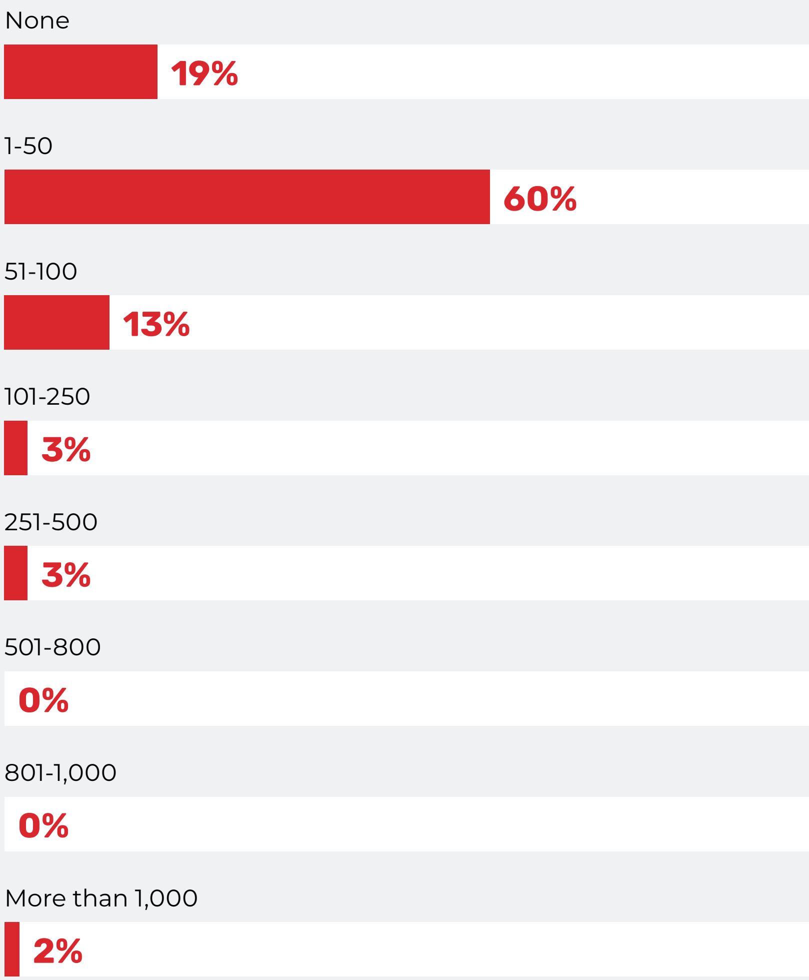
5,970 new stores opened in 2024,
which is the highest number of openings since 2012, when Coresight Research began tracking this data.

As a result, it is an optimal time for *Retail TouchPoints* to take a pulse of the retail industry and gauge which retailers are investing in stores — and how.

Through a survey of **100+** executives, largely representing brick-and-mortar and omnichannel retailers, we've found that despite wavering customer behaviors and the rise of online giants like **Temu** and **Shein**, in-store experiences are still an investment priority.

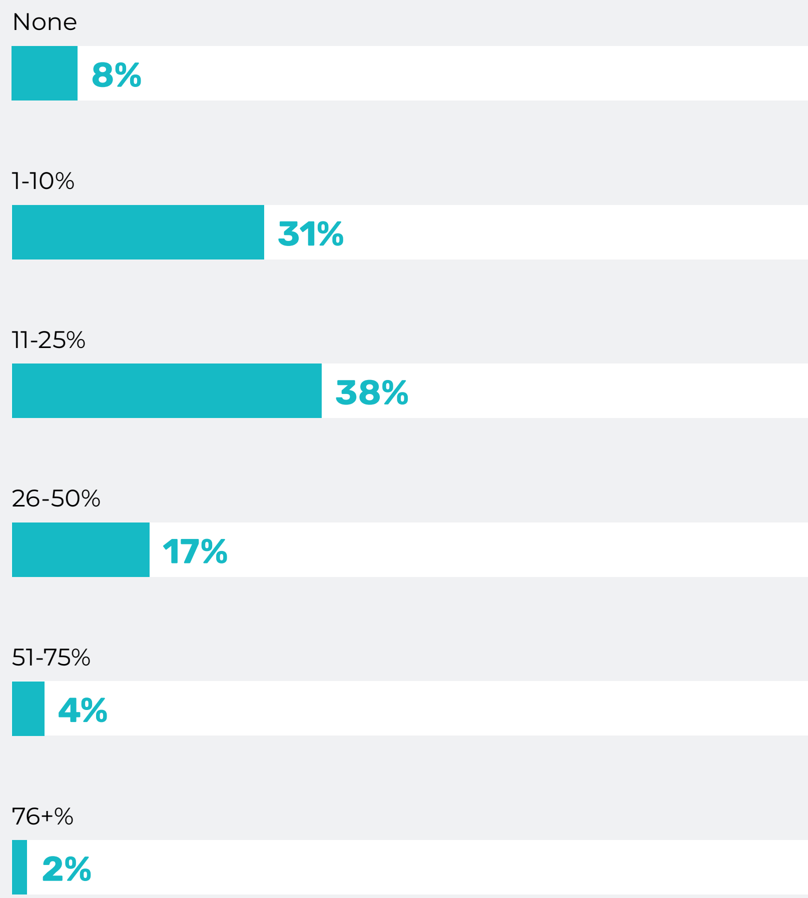
In fact, **83%** of respondents said that store design and experience investments are a bigger priority at the organizational level. While planned new store openings are relatively low through 2027, a healthy share of respondents claim that store remodels and renovations are in the pipeline.

New store openings planned through 2027



Store remodels and renovations planned through 2027

(Responses represent percentage of retailers' overall store fleet.)



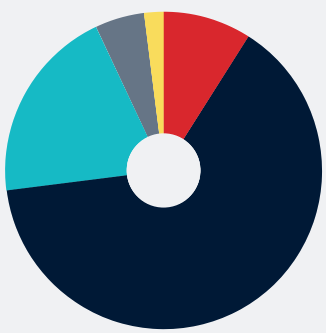
TIGHT BUDGETS AND BIG PLANS: THE GREAT STORE TUG-OF-WAR

New store plans may be in the works, but respondents expect only moderate budget increases over the next 24 months, which will ultimately impact their final design plans and priorities. Of note, the rising cost of materials remains a top challenge for respondents (**67%**) — a **10** percentage-point increase over 2024.

Conversely, fewer respondents are worried about how to best integrate new digital and media tech into their stores. While this was a concern for **44%** of respondents in the 2024 survey, only **37%** said the same this year. Fewer respondents also are concerned about adapting their store designs to new consumer behaviors and expectations; while **57%** said this was a challenge in 2024, only **31%** called this out as a major pain point this year.

It appears that retailers have a clear strategy in place; they just need the time and budgetary resources to make their vision a reality.

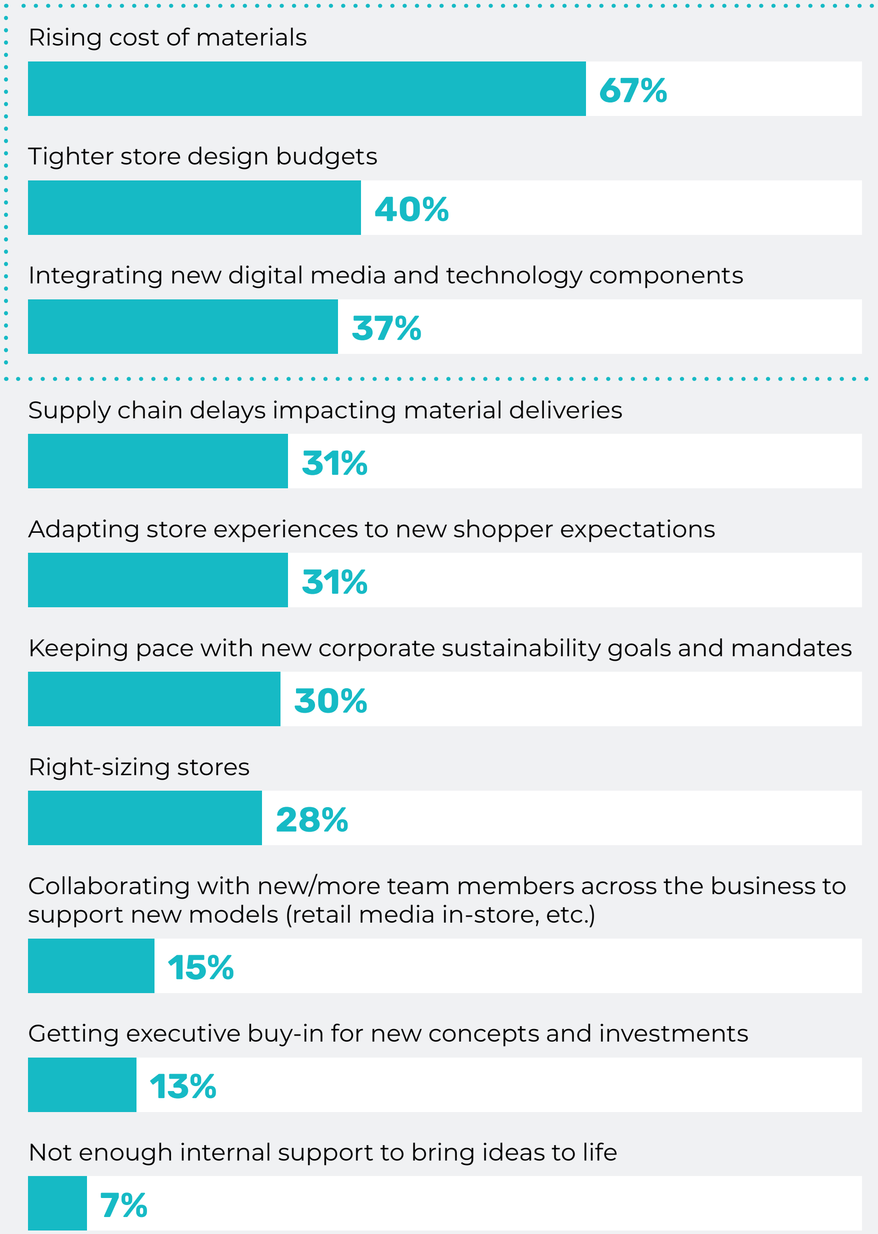
How do you expect your store design budget to change over the next 24 months?



9%	It will stay the same
64%	It will increase slightly
20%	It will increase significantly
5%	It will decrease slightly
2%	It will decrease significantly

What are the top challenges impacting your store design and experience strategies?

(Respondents selected their top three challenges.)



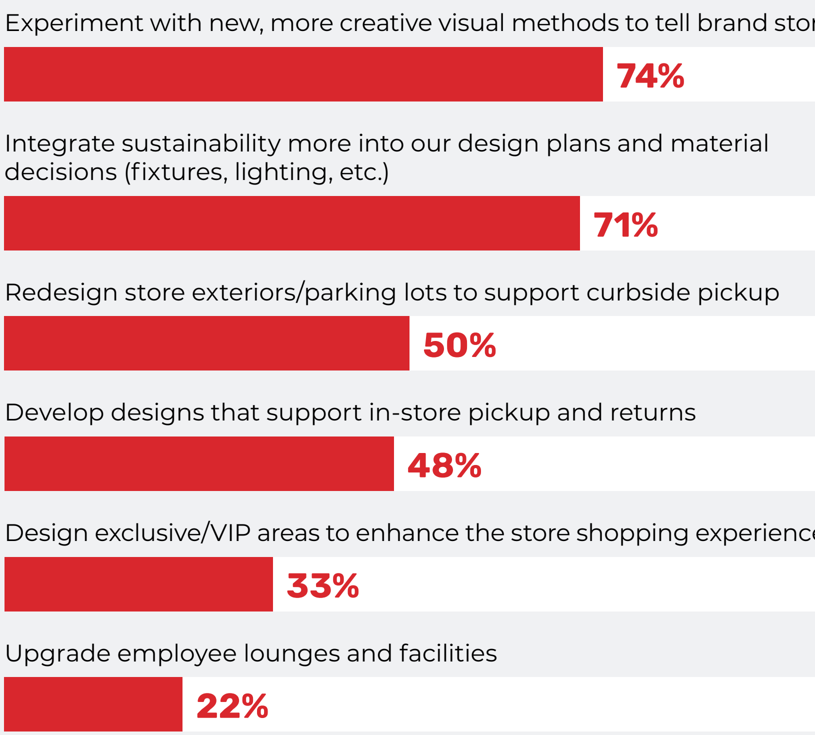
THINKING OUTSIDE THE (STORE) BOX

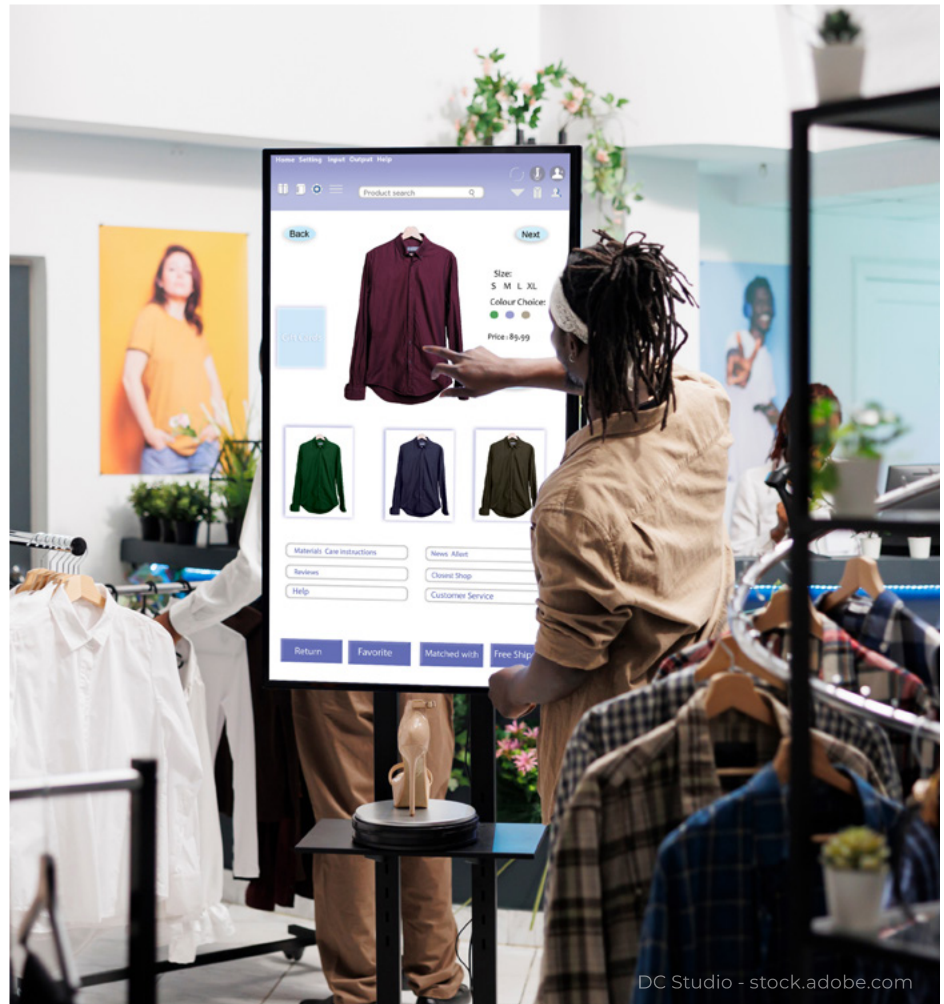
As in previous years, respondents are focused on creating store concepts and visual experiences that align with their distinct brand stories. With **value being so top-of-mind** for today's consumer, retailers (especially smaller and emerging brands) have an opportunity to differentiate through **visual storytelling, merchandising and other "artistic" components of experience design.**

One key area of opportunity that has come into focus this year is **store exteriors**. Historically, respondents have focused primarily on rethinking front-of-house areas and the store floor. However, **50%** of respondents said redesigning store exteriors is a top priority this year, up from **35%** in 2024. This includes everything from curbside pickup points to store windows, both of which offer distinct design and storytelling opportunities.

What are your brand's top store design and visual merchandising priorities through 2025?

(Respondents selected their top three priorities.)





ARE STORES FINALLY GOING GREEN?

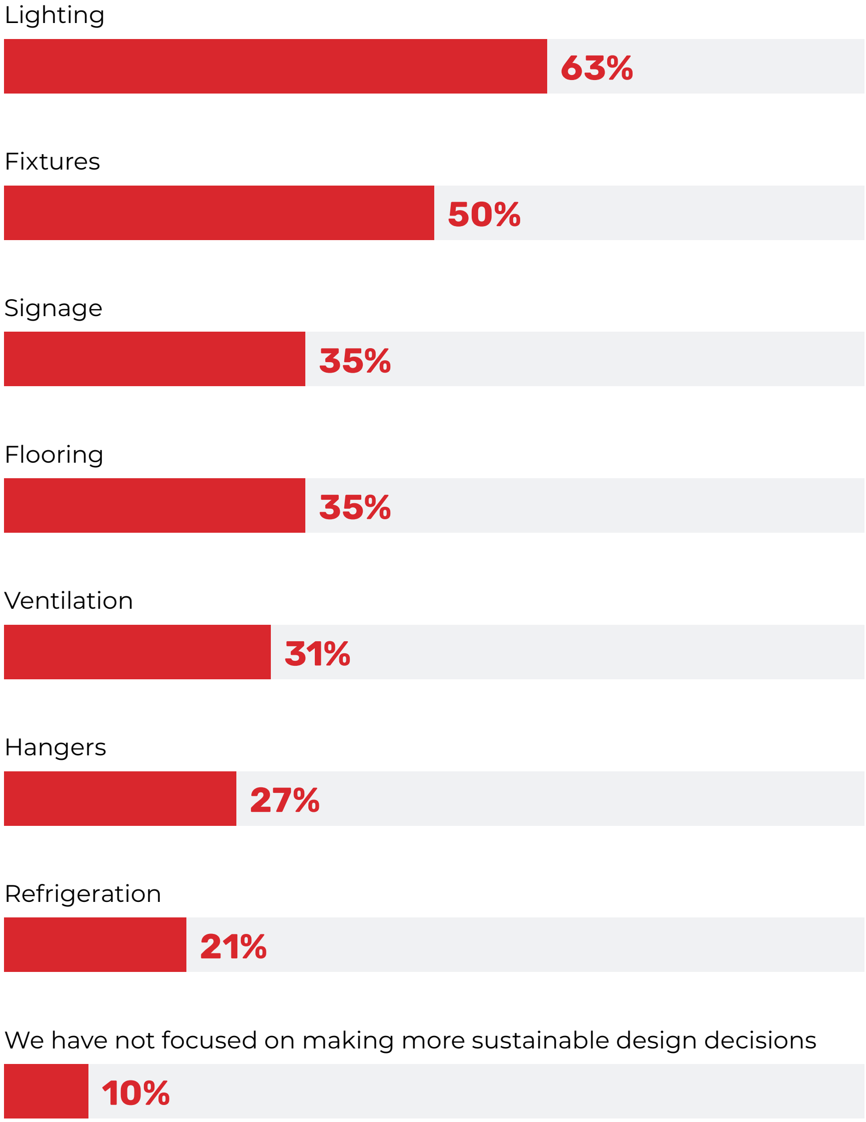
Another notable year-over-year change is the increase in retailers integrating sustainability into their design plans and decisions (**71%** in 2025 versus **61%** in 2024). To some, recyclable and sustainable materials and even energy-efficient hardware represents a significant upfront cost. However, experts have noted that these initial expenditures can pay dividends down the line, offering retailers a stronger return on overall investment.

"I often encounter clients who initially show curiosity and interest in sustainable recommendations for their stores," explained Mardi Najafi, Principal and Chief Creative Officer, Retail + Hospitality Practice Lead at **SDI** in an interview with ***Retail TouchPoints***. "However, their enthusiasm tends to wane swiftly upon seeing the high-level budget estimates associated with these suggestions. Their reluctance to embrace sustainable practices in retail and hospitality projects stems from concerns about initial costs, a lack of awareness regarding benefits and implementation methods, and a focus on short-term financial priorities."

However, these cost concerns appear to be dissipating, with retailers investing in more sustainable fixtures (**50%**, up from **38%** in 2024), ventilation (**31%**, up from **18%** in 2024) and hangers (nearly doubling from **14%** in 2024 to **27%** this year). Respondents also are reusing and recycling materials across their locations, with most getting maximum value from their displays and shelving investments.

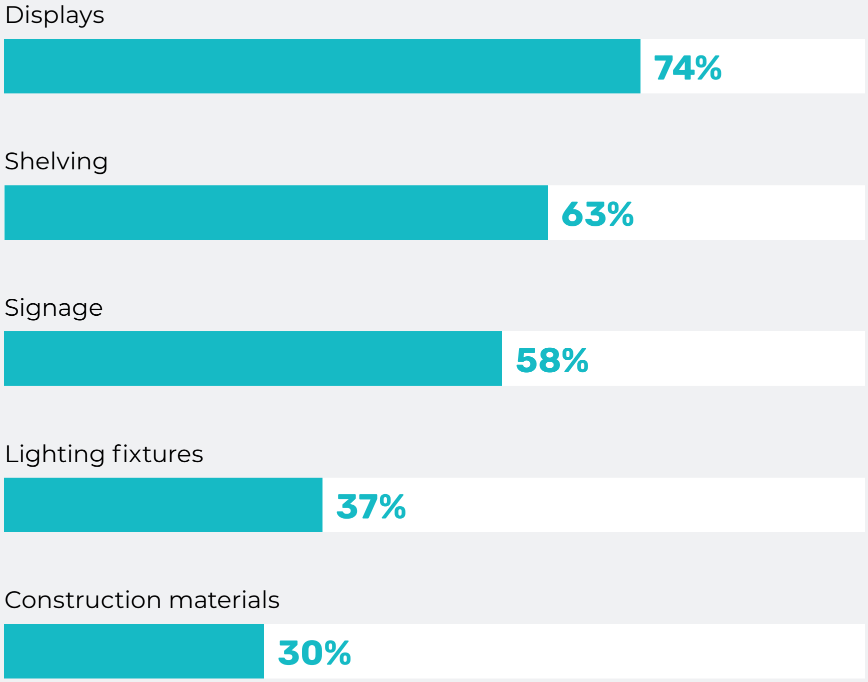
Which elements have you made more “sustainable” due to corporate goals and mandates?

(Respondents selected all that applied.)



Which store elements does your organization recycle and reuse?

(Respondents selected all that applied.)



COMMUNITY BECOMES A CRITICAL CALLOUT

Technology has been an integral part of the store design conversation for several years, so it's no surprise that more thoughtful digital engagement remains central to strategic and tactical discussions. Year over year, these priorities are relatively unchanged.

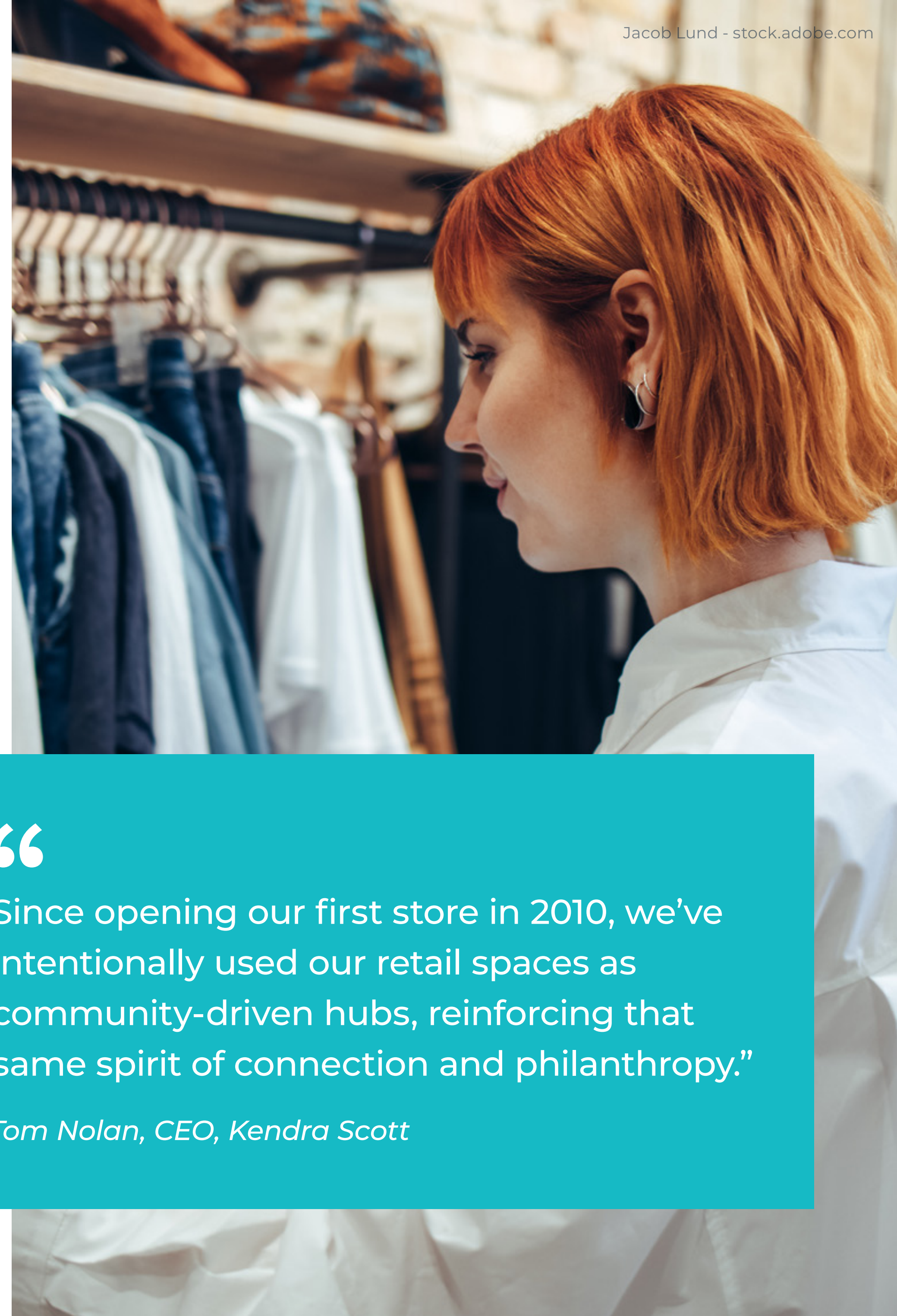
What has changed is retailers' focus on spotlighting brand partners and local organizations. In 2024, this was an experiential priority for only **28%** of respondents; this year, **50%** of respondents said partnerships were top of mind.

Brands like **Kendra Scott** and **Vitamin Shoppe** have leaned heavily into the community aspect of retail, transforming their stores into destinations for shoppers and local organizations to gather.

Kendra Scott's entire existence as a business revolves around **community connection** and charitable contributions. Each store manager is considered the "CEO" of their space, giving them and their employees autonomy over which local organizations and partners to collaborate with.

In March 2025, Vitamin Shoppe launched **shop-in-shop "hometown stores"** that allow the retailer to spotlight nutrition and supplement brands that have "deep roots" in the metro areas where these stores are located.

Some of the featured brands already use the stores as community engagement and content creation spaces. EHPLabs drew more than **400** fans for a February event in Houston featuring a run club, live workouts and fitness contests, influencer meet-and-greets and giveaways from a mobile shipping container that served as a mini-shop. Each store features at least **200 square feet** of retail space devoted to the brand partner, large-scale signage, enhanced fixtures and displays and custom refrigerators for the brand's protein shakes or perishable beverages.



> "Since opening our first store in 2010, we've intentionally used our retail spaces as community-driven hubs, reinforcing that same spirit of connection and philanthropy."
>
> *Tom Nolan, CEO, Kendra Scott*

What are your brand's store engagement and experience priorities through 2025?

(Respondents selected their top three priorities.)

Better integrate technology into the experience for product customization, endless aisle, etc.
61%

Create more opportunities for digital engagement in the store (via digital signage, AR, QR codes, etc.)
50%

Find new ways to spotlight brand partners and local organizations
50%

Roll out store designs that allow customers to get in and out quickly (contactless, self-checkout, etc.)
42%

Test new formats, such as pop-ups, product drops and "edu-tainment" models
40%

Create more active, community-driven store experiences via events and activations
38%

Create spaces specifically for services, such as consultations and classes
16%

WHAT'S HOT (AND NOT) IN STORE TECH

There may be renewed focus on authentic human connection in stores, but that doesn't mean technology is now an afterthought. If anything, it remains even more critical to sound retail operations, providing the ease and efficiency that both associates and shoppers demand.

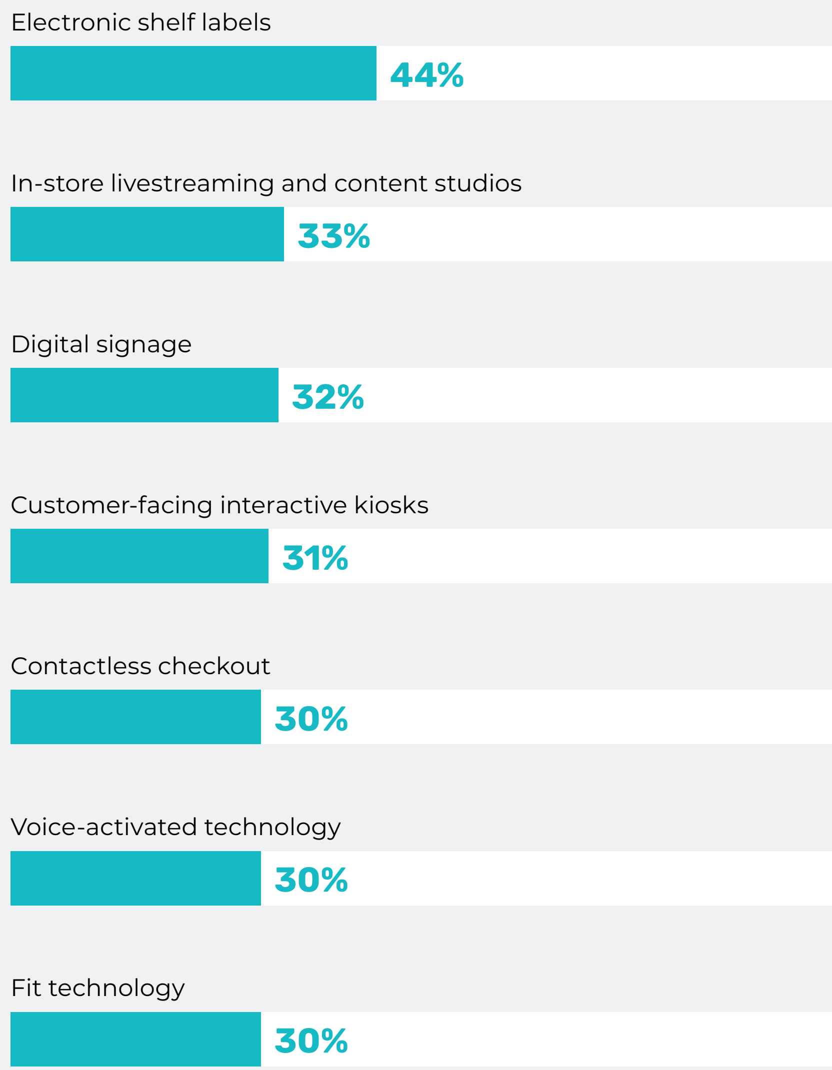
With **87%** of retailers saying technology plays an important role in their in-store experiences, where are they placing their bets to innovate in the future?

Electronic shelf labels (ESLs) come to the forefront, with **44%** of respondents identifying them as tech they plan to incorporate during the next **two** years, possibly due to heightened price consciousness and tariffs' possible impact on product pricing. ESLs offer retailers the agility and flexibility required to change prices based on product demand, consumer behaviors, margins and other factors. This is a significant shift from the 2024 survey, in which **47%** of respondents said they had no plans to implement the technology in the future.

Another category that saw a bump in interest is voice-activated technology. While **62%** of respondents said they had no interest in adopting the tech in 2024, **30%** said they had active plans to roll it out over the next 12 to 24 months.

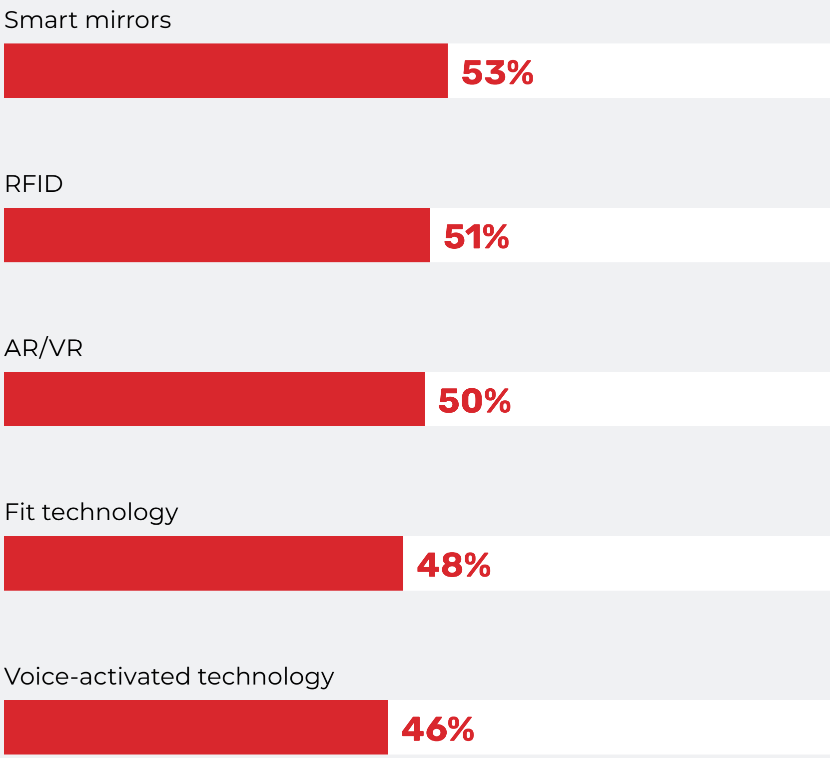
Which technologies do you plan to incorporate into your in-store experience over the next 12-24 months?

(Top 5 responses.)



Which technologies do you have no plans to incorporate into your in-store experience over the next 12-24 months?

(Top 5 responses.)



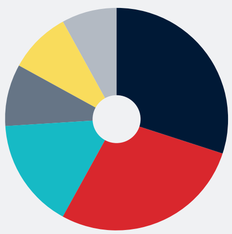
CONCLUSION

As retailers continue their quest to create immersive and relevant store experiences, they're focused on expanding their teams. More than half of respondents (**56%**) said they plan to increase their design head count this year, up from **43%** in 2024.

Respondents also plan to bolster their design prowess with outside expertise, especially those who know how to test, implement and scale technology. While half of respondents say their top third-party collaborators are design firms, **41%** turn to tech implementers and integrators. These organizations are critical partners to retailers' IT and operations organizations, which **54%** and **62%** of respondents collaborate regularly with, respectively.

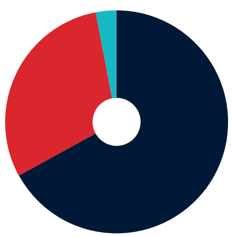
SURVEY DEMOGRAPHICS

Annual Revenue



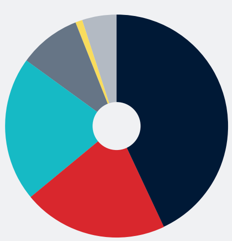
30%	Less than $50M
28%	$50M-$100M
16%	$100M-$500M
9%	$500M-$1B
9%	$1B-$5B
8%	More than $5B

Business Type



67%	Retailer - brick & mortar
30%	Retailer – omnichannel
3%	CPG/Brand - with brick & mortar

Number of Stores



43%	0-20
21%	21-100
21%	101-1,000
9%	1,001-10,000
1%	10,001-15,000
5%	15,001+

Retail Vertical

Specialty Hardgoods	21%
Specialty Softgoods	18%
Department Store	17%
Supermarket/Grocery	12%
Big Box	11%
Convenience Store	11%
Electronics	3%
Drug Store/Pharmacy	2%
Office Supplies	1%
Other	4%

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Retail TouchPoints and *Design:Retail* give all members of the retail world access to a vibrant community that combines insights, inspiration and opportunities to interact with their peers. We sit at the intersection of the art and science of retail strategy, providing granular data, high-value commentary, and aspirational success stories to help readers optimize customer experiences across all channels. Touching all facets of the retail ecosystem, including store experience and design, workforce management, digital marketing and engagement, and omnichannel optimization, our editorial content, multi-media resources and events take timely news and trends and transform them into tactical takeaways that meet the unique needs and priorities of our executive readers.

info@retailtouchpoints.com

ABOUT THE AUTHOR

Alicia Esposito, VP, Content

Alicia is an editor-turned-content marketer, with a passion for all things focused on digital-powered experiential retail.