

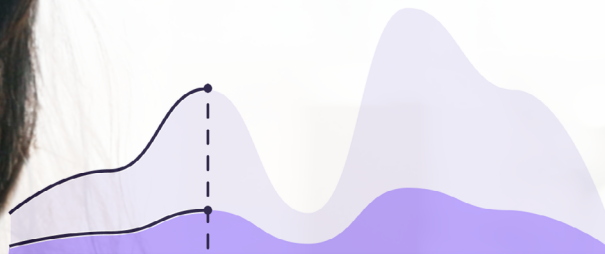
Weekly summary

SALES

\$5,000

EST. WAGES

\$1,200



TIPSHEET

4 Trends That Will Impact **Business Success** in 2025

Running a business in 2025 looks wildly different than it did just a few years ago. Consumer habits have changed dramatically and the workforce has transformed. Understanding these changes — and those to come — will help you adapt to a changing landscape to better engage with your employees and run a successful business.

Business leaders and managers can turn potential challenges into opportunities for growth. Whether you're running a small café, managing a retail chain, or overseeing healthcare facilities, understanding what's coming is a competitive advantage. From emerging consumer behaviors to the growing influence of Gen Z in the workforce, these trends will fundamentally change how you operate, staff, and grow your business.

The future of business success in 2025 is being written right now. These are the four most important trends that are impacting businesses this year — and what you can do about them.

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The Shifting Consumer Spending Landscape

Consumer behavior is undergoing a fascinating transformation in 2025 across major markets. While spending remains strong, how consumers spend is changing dramatically. The US is seeing wealthy shoppers become more price-conscious, while Australia is experiencing a surge in discretionary spending. Meanwhile, UK shoppers are cutting back on essentials while upping their discretionary spending, suggesting a complex reprioritization of where their money goes.

United States

Consumer spending is expected to continue to drive the American economy forward in 2025. According to [US Bank's latest economic report](#), personal consumption makes up almost 68% of the nation's GDP, which shows just how important consumer behavior is to business success.

The outlook for 2025 is promising but with some interesting twists. The job market is strong and unemployment is expected to hold steady at around 4% with employers actively hiring. However, the spending landscape is changing as even affluent customers are becoming more price-conscious.

US Bank's senior investment strategy director Rob Haworth notes that quarterly earnings reports from big box retailers reveal a surprising trend: Wealthy shoppers are increasingly abandoning premium brands in favor of discount alternatives. This shift in high-end consumer behavior signals a broader change in spending patterns that could impact luxury businesses.

On the other hand, Statista predicts that the luxury goods market will hit [\\$101 billion in 2025](#), with over 20% of sales happening online. This suggests that while consumers are still willing to spend on luxury goods, they're more conscious about how they do it.

One key trend to watch is the record-breaking [\\$1.17 trillion in credit card debt](#), according to the Federal Reserve Bank's Household Debt and Credit Report. But don't panic just yet. The debt service payments only account for about 11% of consumers' disposable income, which is still lower than the peaks of over 13% seen in 2007 and 2008.

Australia

Australian consumers are stepping into 2025 with unexpected power. According to [Visa's Australia Spending Momentum Index](#), consumer spending ended 2024 with its strongest performance since August 2023, jumping 1.6 points to reach 101.1 on its proprietary economic indicator.

The holiday season brought a particularly interesting shift. Discretionary spending, the kind that drives retail and hospitality businesses, surged ahead, staying in expansion territory for eight straight months. Each state and territory saw an increase in spending, with the Australian Capital Territory and New South Wales leading the charge.

However, it's not all smooth sailing. Restaurant spending has taken a small dip, though this trend varied significantly across regions. Tasmania, Queensland, and Western Australia are feeling the pinch, while other states are seeing growth in dining out.

For business owners, especially those in retail and hospitality, this paints a complex but promising picture. Combined with cooling inflation, these spending patterns suggest Australian consumers are opening their wallets with growing confidence. The key will be capturing this momentum while staying mindful of regional differences in spending behavior.

United Kingdom

The British consumer landscape is showing fascinating contradictions as we enter 2025. According to Barclays' latest [Consumer Spend Report](#), overall spending has flatlined even as inflation continues at 3.5%.

The holiday period revealed telling patterns in British consumer spending. While overall retail spending dipped by 0.2% in December 2024, Barclays' data show consumers aren't just tightening their belts but rather reallocating their spending. Entertainment spending jumped 6%, with movie theaters seeing a remarkable 52.1% increase. Meanwhile, essential spending dropped by 3%, which suggests the British consumer is prioritizing experiences over everyday purchases.

This selective spending approach is expected to extend into 2025. [Capgemini's research](#) reveals a deeper shift in consumer behavior, with shoppers across all income brackets becoming more strategic. An overwhelming majority are actively hunting for deals at different stores, with 77% of self-considered rationalists reporting spending more time visiting different stores for better deals. Even 51% of convenience-led urbanites, who are usually less likely to shop around, admitted looking for discounts.



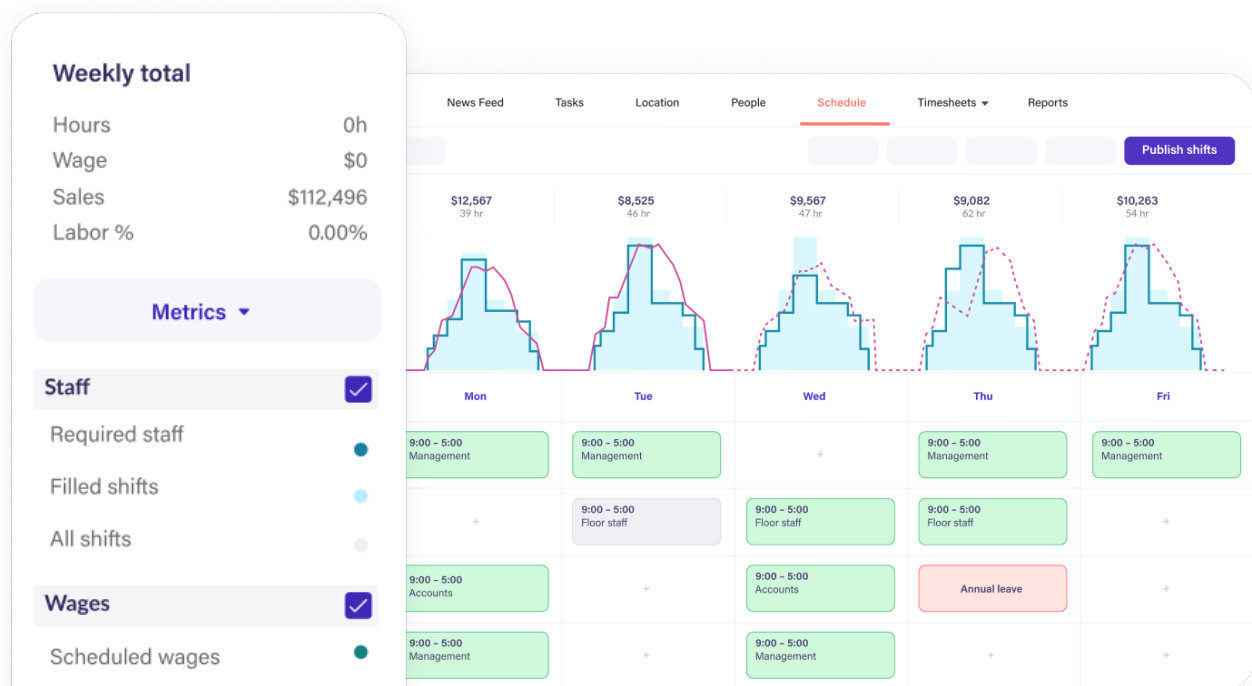
How Businesses Can Adapt in 2025

Business owners must make smart operational adjustments to deal with these shifting spending patterns. With consumers becoming more selective about where they spend, businesses need precise staffing that aligns with peak demand periods.

Using workforce management platforms like Deputy allows you to [adjust staffing levels based on these new demand patterns](#). Avoid being overstaffed during quiet periods or understaffed when customers are ready to spend.

For example, UK entertainment venues seeing that 52.1% surge in spending need reliable ways to scale up their workforce during peak times. Australian hospitality businesses must adapt their staffing strategy to regional differences, and US retailers need to better allocate their labor to handle surges when running deals.

The key is flexibility. By using [labor demand forecasting software](#), businesses can track these changes to demand patterns and adjust their workforce accordingly.



02

Gen Z Reshaping the Hourly Workforce

The workplace is undergoing an enormous transformation as baby boomers exit and Gen Z steps into increasingly important roles. Born between 1997 and 2012, this generation is bringing fresh perspectives and new expectations to the workplace.

Understanding Gen Z's Workplace Priorities

Gen Z looks at their careers as a part-time gig to their full-time job, which is living their lives. Rather than dedicating all their time and energy to their professional lives, they're looking for employers who understand that life doesn't revolve around work.

For starters, work-life balance is a core demand of Gen Z. According to a World Economic Forum survey, almost three-quarters of Gen Z workers [want more flexible work schedules](#).

Gen Z workers are also looking for meaningful work that aligns with their values. According to McKinsey, they're [driven by ethics](#), shared causes, and individual expression far more than previous generations. This translates directly into workplace expectations. Businesses looking to attract and retain Gen Z workers should rethink how they handle scheduling, team building, and career development.

Creating an Environment That Attracts and Retains Gen Z

Catering to Gen Z's expectations doesn't mean you have to completely change the way you do business. The first step is understanding exactly what Gen Z wants so you can adjust your operations accordingly. Most Gen Z workers are looking for:

- **Digital integration:** Unlike millennials who adapted to evolving technology, Gen Z expects sophisticated digital solutions from day one. According to [CFO.com](#), 70% of Gen Z employees would go to a different job if it offered better technology. For businesses, this means investing in modern scheduling systems, communication platforms, and collaboration tools.
- **Financial security:** Despite their great desire for work-life balance, this generation is surprisingly pragmatic about money. According to GWI, Gen Z is almost 30% more likely than other generations to [describe themselves as ambitious](#) and driven by money. However, they're not just looking for a paycheck. They want clear career progression paths and skill development opportunities to help them get there.
- **Better mental health support:** Gen Z brings unprecedented openness about mental health to the workplace. Cigna's US Loneliness Index shows that almost three-quarters of workers aged 18 to 22 [report feeling lonely](#). Smart employers are responding by creating comprehensive wellness programs and providing mental health resources.

The key to success lies in understanding that Gen Z's priorities — flexibility, purpose, growth opportunities, and well-being — are fundamental expectations that will shape the future of work. Businesses that adapt now will build more resilient workforces and organizations ready for the challenges ahead.

03

AI and the Automation Revolution

The retail and hospitality industries are changing thanks to artificial intelligence (AI) and automation in ways that go far beyond basic digitization. As we move through 2025, these technologies are becoming more important for business survival.

According to Analytics Insight, 80% of retail executives expect their companies to be using [intelligent automation technologies by 2025](#). Implementing AI isn't just a passing fad but a response to changing consumer expectations and the need for more efficient operations.

Stock management is one area taking advantage of this automation transformation. Counting stock manually? Consider it outdated. Modern AI systems can now predict demand patterns, automatically trigger reorders, and even adjust prices in real time based on factors like stock levels and consumer behavior.

For a restaurant owner, this might mean automatically adjusting food orders based on weather forecasts. If there's a massive snowstorm coming, then the system can predict lower demand and automatically adjust orders to prevent waste.

AI is also having a massive impact on workforce management. New [AI-powered scheduling systems](#) can analyze peak business hours, demand patterns, employee preferences, and job task allocation to create optimal staffing schedules.

How Businesses Can Adapt in 2025

Successfully implementing AI means identifying the specific operational challenges that this new technology can help solve. For example, using workforce management platforms like Deputy allows businesses to [automate the complexities of employee scheduling](#), creating smart rosters that balance business demand with employee availability and skillset.

For small businesses, other opportunities for automation could include setting up automated inventory management to reduce waste and stockouts. For larger operations, it could involve implementing advanced AI-powered systems that integrate everything from customer relationship management to predictive equipment maintenance.

Remember, the goal of AI isn't to replace human workers. It's to enhance every worker's capabilities by giving them newer, better tools. When AI handles routine tasks like scheduling and inventory management, staff can focus on what truly matters: **creating memorable customer experiences and building lasting relationships.**

This human-AI collaboration represents the future of retail and hospitality, where technology handles the complexity of operations while people deliver the personal touch that keeps customers coming back.

The screenshot displays the Deputy workforce management interface. At the top, there's a navigation bar with tabs: Me, News Feed, Tasks, Location, People, **Schedule** (highlighted), Timesheets, and Reports. A 'Publish shifts' button is visible in the top right. The main area shows a calendar grid for Wednesday, Thursday, and Friday. A large modal window titled 'Auto Fill 60 Empty Shifts' is overlaid on the left. It features a refresh icon and the text 'Evaluating Tue 07:00 AM @Cashier'. Below this is a progress bar with a blue and white striped pattern. The background grid shows shifts for three employees: Lillie Coleen (Floor Staff), Emily Stewart (Floor staff), and David Lee (Deliveries). Shifts are represented by green boxes with time ranges like '9:00 - 5:00'. A red box labeled 'Annual leave' is visible for Thursday. A '+ Add new employee' link is at the bottom left of the grid.

04

Labor Law Changes in 2025

Between the United States, Australia and the UK, businesses need to adapt to some significant changes in labor and employment laws during 2025. From criminal penalties for wage theft to expanded worker protections, here's what businesses need to know about regulatory changes.

United States

American labor laws are becoming even more complicated in 2025, although changes vary by state. The most obvious change for retail and hospitality businesses is that [21 states have increased the minimum wage](#) as of January 1st, 2025, with [California](#) leading the charge at \$16.50 an hour for most employees and \$20 for fast-food workers.

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Minimum Wage

Minimum wage is the lowest hourly pay rate that employers are legally obligated to pay employees. The federal minimum wage is a wage baseline, but different states, cities, and regions can adopt their own rates.

Effective January 1st, 2025, the minimum wage is \$16.50 per hour for most employees, \$17.36 for employers with 26 or more employees, and \$20.00 for most fast-food employees.

→ Learn more about Deputy's [labor law compliance software](#)

Cities that have higher per hour minimum wage as of January 1st, 2025:

- Alameda: \$17.00
- Belmont: \$18.30
- Berkeley: \$18.67

But the changes go beyond wages. A number of states have updated laws around paid sick leave that will require businesses to adapt their practices. That includes [Connecticut](#), [Minnesota](#), [New York State](#), and [Washington State](#).

For example, [Connecticut's updated paid sick leave law](#) requires that all employees (with limited exceptions) accrue one hour of sick leave for every 30 hours worked. Meanwhile, New York has introduced [up to 20 hours of paid prenatal personal leave](#) annually, which applies in addition to the current required paid sick leave.

For businesses, managing these new requirements means two things. First, spending dedicated time staying across the [latest updates](#) in the states in which they operate. Second, looking into systems that can simplify labor law compliance, including leave management. [Workforce management platforms](#) can streamline compliance management to help businesses juggle different requirements across states and keep things running smoothly.

Australia

Australia has introduced landmark changes to its workplace laws. As of January 1, 2025, intentionally underpaying workers [can be a criminal offense](#) — and the consequences are severe. Those found guilty of a wage theft offence could face up to 10 years imprisonment and fines of up to [\\$7,825,000](#) AUD or three times the underpayment amount.

This is an incredibly important update for Australian businesses and workers. The Fair Work Ombudsman's data shows that it [obtained \\$9.3 million](#) AUD in fines from 2021 to 2023 in total but \$27 million AUD in 2024 alone. This indicates it's getting serious about prosecuting companies that underpay their workers.

For Australian businesses, implementing comprehensive payroll systems and regular audits is no longer optional. Looking into robust [award compliance software](#) is a must, now more than ever.

United Kingdom

The UK is rolling out significant employment protection reforms in 2025. The most important changes businesses need to be aware of include [new protections](#) against sexual harassment in the workplace, new rights for [neonatal care leave](#), and [increased statutory sick pay](#). The government is also discussing removing the two-year qualifying period for [unfair dismissal claims](#), potentially giving employees “day one” rights to challenge their termination.

British businesses face particular challenges with flexible working arrangements, as new [“right to switch off”](#) regulations are expected to be implemented through a statutory Code of Practice. This will require employers to establish clear boundaries between work and leisure time, which could affect how businesses manage remote work and after-hours communications.

For businesses in all of these regions, it’s more important than ever to invest in smart technology that helps manage legal obligations and simplify compliance. Workforce management platforms like Deputy can streamline your scheduling, time tracking, and pay calculations, as well as other key requirements like breaks and premium pay. The key is having systems in place that can adapt quickly to legislative changes and provide clear audit trails for pay calculations and working hours.



Final Thoughts

The business landscape of 2025 brings unprecedented changes to organizations everywhere. From changing consumer behavior to new workforce expectations and regulatory requirements, it's more important than ever to keep on top of these changes to stay competitive.

Whether you're adapting to new labor laws, embracing AI technology, managing Gen Z workers, or implementing flexible work arrangements, the key is finding the right balance between innovation and productivity. Tools like Deputy can help you navigate these changes while building a more resilient and adaptable business that's ready for whatever comes next.

To learn more about how you can turn these challenges into opportunities, [contact the Deputy team today](#).

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