

The Consumer Spend Report 2025

Analyzing the trends that influence how,
when, and why we buy

A letter from the CEO

Dear reader,

Welcome to Upside's second annual Consumer Spend Report. Thank you for your time and attention — we don't take it for granted.

Over the last several years, consumers have had to navigate intensified market pressures like lingering price fatigue, inflationary cost increases, declining job openings, and tariff uncertainty. In response, they changed the way they spend.

We captured this change in last year's report by coining the concept of the **uncommitted customer**. These are shoppers who prioritize their own needs over a retailer's brand. While this behavior isn't new, by 2024 it had become the norm for the majority of consumers nationwide.

This behavior trend is so meaningful that Upside continues to track it over time. Our research into consumer commitment debuted on The Today Show and continues to influence how retailers approach business growth.

For this report, we've:



Analyzed **10+ billion retail transactions from 21,000+ retailers** across the fuel, convenience, grocery, and restaurant categories.



Surveyed **11,000+ consumers and retailers** from the general population over multiple waves.

We learned that retailers have done a lot to win customers and retain them long-term — new in-store experiences, enhanced pickup and delivery options, upgraded loyalty programming, and more.

But despite those best efforts, consumers have continually grown more uncommitted in 2025.

Along with those market pressures, retailers' responses to changing behavior are reinforcing (even nurturing) cross-shopping and price-checking behavior. And the way forward might appear uncertain, because retailers are navigating these same macro pressures as they run their businesses.

Understanding uncommitted customers — the things they value, and the stimuli they respond to — is key to retail growth today. We hope this report serves you well.



Alex Kinnier
Co-founder & CEO,
Upside

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01 THE CAUSE

Market pressures are pushing consumers to chase value

To understand why value-seeking has intensified in 2025, we turned to the economy and its downstream impacts on consumer sentiment. On the whole, our respondents were more likely to be pessimistic than optimistic.

THE CAUSE

Market pressures are pushing consumers to chase value

Roughly half of consumers (49%) told us they think the economy is getting worse in 2025.

A weak labor market is the main factor, exacerbated by the fact that pandemic-era savings have largely [run out](#). Prices remain elevated, and inflation may even be [picking back up](#). Ongoing uncertainty around tariffs has re-introduced cost volatility into everyday spending categories, further muddying the picture.

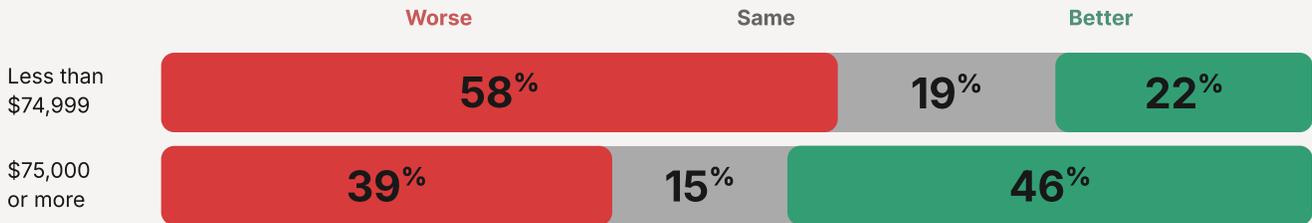
At the same time, though, there's a glass-half-full interpretation of our survey findings: Sentiments are actually improving year-over-year. When we compare the responses from 2025 to 2024, 7% [fewer](#) consumers say the economy is [worse](#) now, and 11% [more](#) consumers say the economy is [better](#) now.

However, there's a very important catch here: Economic confidence isn't evenly distributed. Higher-income households (which we define as those making at least \$75,000 per year) are significantly more likely to say that they are hopeful about both the economy and their own financial picture. Lower-income households, meanwhile, feel like they're getting left behind.



Economic optimism increases with household income

“What is your outlook on the state of the U.S. economy compared to a year ago?”



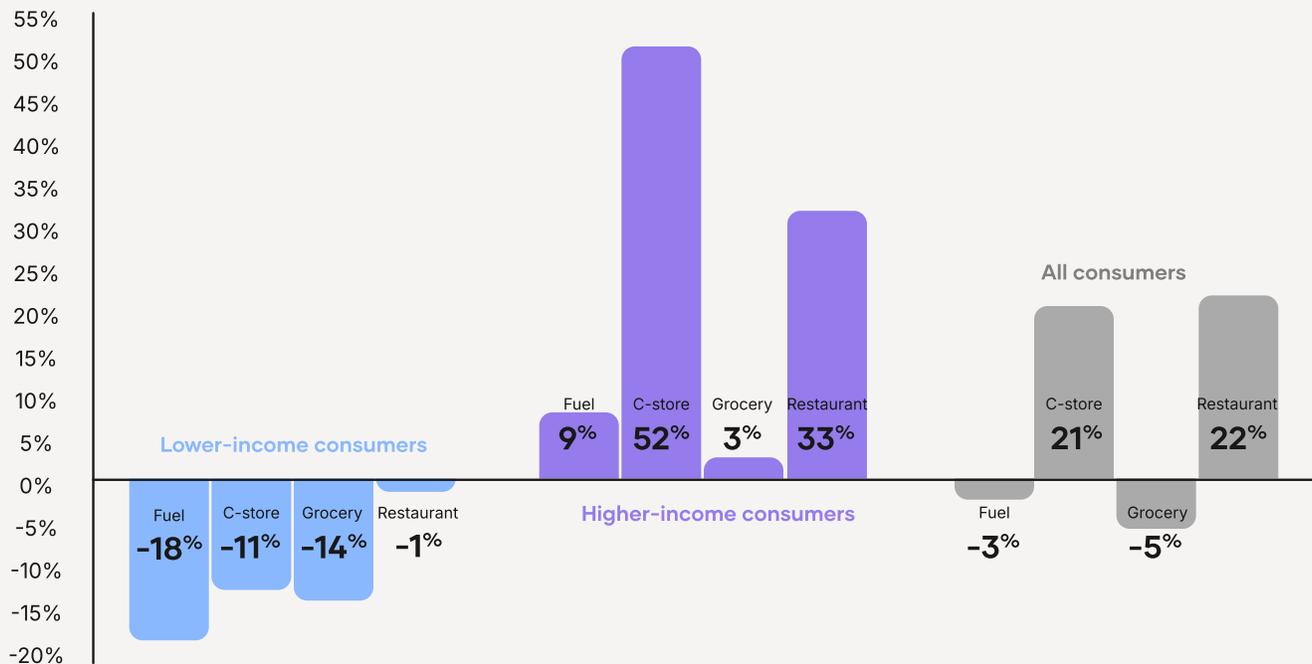
Source: Upside survey responses from 1,711 general population consumers, September 2025. Values may not add up to 100 due to rounding.



That confidence in the economy is also illustrated in spending trends from 2025. When we asked our respondents to gauge how their spending levels changed year-over-year, the lower-income group reported cutting back, while the higher-income group said they spent more, sometimes considerably more.

Higher spending comes from higher earners

Change in self-reported spending from 2024 to 2025



Source: Upside survey responses from 3,515 consumers, conducted across two waves in 2024 and 2025.



01: The Cause

Remember this is survey data and therefore based on perception. Did convenience spending by higher-income consumers, for example, actually increase by more than 50%? The transaction data says “no,” and that’s explained on [page 17](#).

But there’s still something notable in this “income divide,” the spending gap between high-income and low-income consumers. You might’ve also heard it referred to as a “k-shaped economy.” High-income households appear willing to spend more to either maintain or upgrade their lifestyles, masking a pullback by lower-income shoppers.

And indeed, lower-income consumers report cutting back in every category — even fuel and grocery, two types of purchases that are non-discretionary for many Americans. We took a closer look to find out why.

Regarding fuel purchases, our survey responses indicate that many lower-income consumers are simply driving less to save on gas. They say they’re combining errands into fewer trips or taking alternate forms of transportation more often.



And in grocery, lower-income respondents told us that their total spend from each trip is getting smaller because they’re trading down from name brands to generic, switching stores to find cheaper prices, and relying on promotions more frequently.

The income divide is splitting consumer confidence and purchasing power, and the gap is growing. Rising asset values like stock and real estate gains tend to benefit higher-income households more directly, while slower wage growth and elevated costs in essential categories have a greater impact on lower-income households.

It would be a mistake, however, to think that high-income consumers don’t care about value. They do, and in increasing numbers. We see customers across all income levels and in all retail categories exhibiting uncommitted behavior, ultimately turning to savings tools for relief.

"I stretch my dollars by **reducing the amount I travel** to save on gas money."

— Male, 45-54 age group | \$25,000 - \$49,999 income bracket

"I try to spend less by using **store brands** and having smaller, less expensive meals."

— Female, 65+ age group
\$25,000 - \$49,999 income bracket

"My spending has **really not changed**, but I do tend to look at prices more."

— Female, 55-64 age group
\$100,000 - \$149,999 income bracket

"I've had to spend less as prices continue to increase. **I can rarely afford meat anymore.**"

— Female, age group 35-44 | \$75,000 - \$99,999 income bracket



Why this matters: These macro trends have been well-reported elsewhere and are key to understanding changes in how consumers spend their money. High-income shoppers are spending more than low-income shoppers, but basket sizes are shrinking across the board as consumers either trade down or trade out.



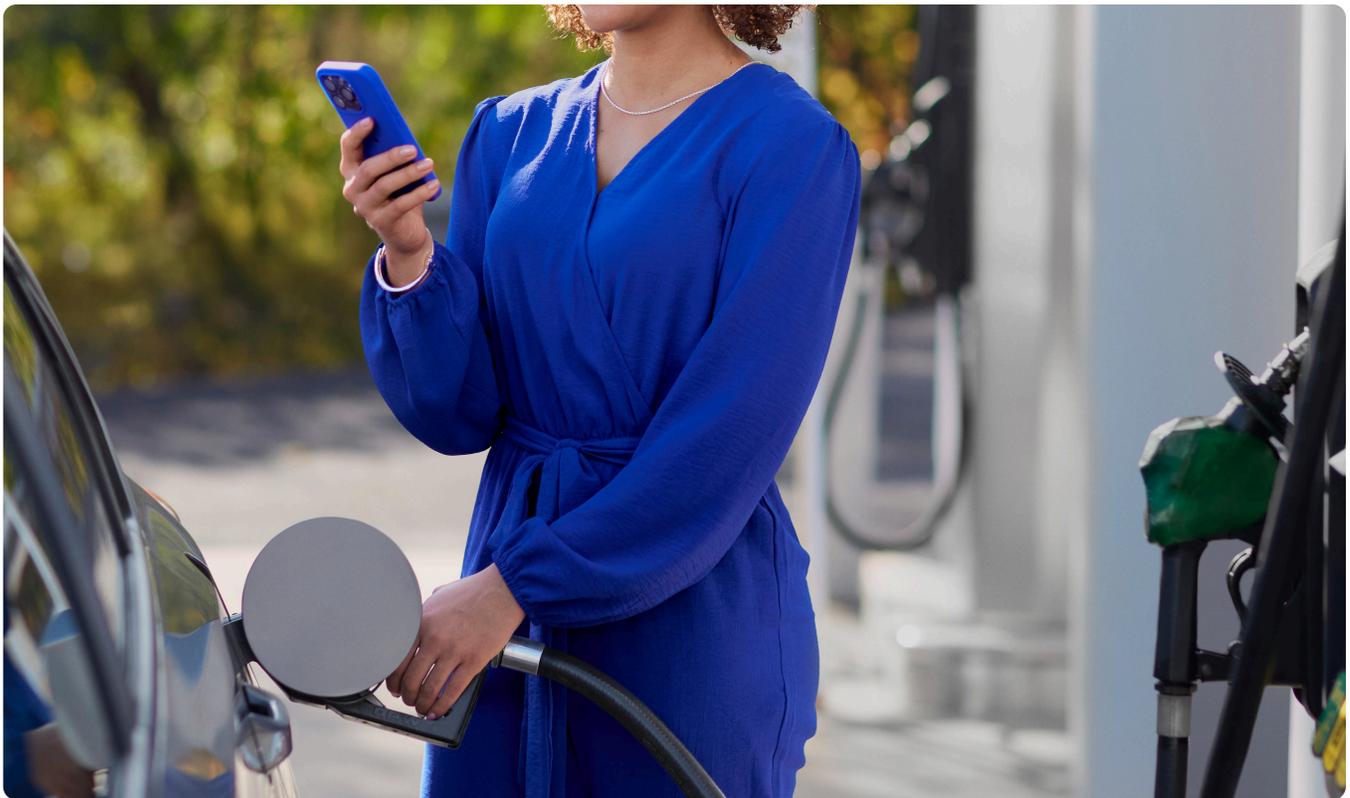
02 THE EFFECT

These pressures have nurtured uncommitted behavior

As a result of these intensified macroeconomic forces, consumers are visiting more sites to fill up their pantries and making more trips with smaller transaction totals — a sign of growing fragmentation in their shopping behavior.

THE EFFECT

These pressures have nurtured uncommitted behavior



In 2024, we reported that **uncommitted customers** — the digital, value-seeking, opportunistic shoppers that prioritize their households over loyalty to any retailer or brand — became the norm. With a plethora of retailers to purchase from and online tools to compare them, it became easier than ever to split one's spend across multiple stores. We saw that uncommitted customers made up a majority of American consumers.

All of that is still true today, but to an even greater extent. Uncommitted behavior is accelerating in each retail category that we analyzed.

In 2025, the average U.S. consumer transacts at:



Source: Upside survey responses from 1,711 general population consumers, September 2025.



We observe that uncommitted behavior is ultimately driven by three major forces.

Price sensitivity

We've covered how cost concerns are changing behavior. Even small increases in prices can lead customers to reconsider where they buy — or whether they buy at all.

Availability

When the pandemic compromised brick-and-mortar retail, businesses had to go digital to stay available. It was effective, but an unintended consequence is that it's now easier than ever to compare options and jump to competitors with just a few taps of a smartphone. Frequent online grocery shoppers, for example, now buy from **three times as many stores** as their in-store-only counterparts.

Competition

Consumers have more options than ever before, and the boundaries that previously defined retail categories are rapidly blurring. Convenience stores are quickly growing their fresh food offerings, and grocery stores see opportunities to win with grab-and-go meal options. More and more businesses are competing for a limited set of consumer dollars.

"I've compared prices more and I have gone to different stores to get the best deals on things that I need. Never had to do it before."

— Female, age group 65+ | \$50,000 - \$74,999 income bracket

"I've started buying more in bulk and using cash-back apps to save on everyday purchases. Also, I'm being more mindful about dining out, choosing more affordable spots."

— Male, age group 18-24 | \$150,000+ income bracket

How uncommitted customers pick their preferred retailers

For most consumers, price is the most important factor in choosing the grocery stores, gas stations, and restaurants at which they transact. But there are other considerations, as well. Below, we've captured the top criteria for shoppers across each category.

How do customers in each category choose where to transact?

	Fuel	Convenience	Grocery	Restaurant
1	Lower prices	Convenient to get there	Lowest prices	Food tastes better
2	More convenient location	Lowest prices	Items I need are in stock	Lower prices
3	Trustworthy brand name	Clean / new stores	Discounts / coupons	Higher quality ingredients

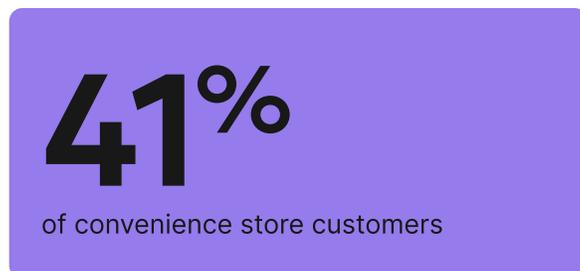
Source: Upside survey responses from 1,711 general population consumers, September 2025.



In each, low prices are one of the top two factors for consumers choosing where to transact, including the most important to fuel and grocery customers. Convenience store shoppers care most about convenience — go figure. Restaurant customers, meanwhile, care most about better-tasting food.

Let's dig more into price sensitivity and how it's showing up in the market. We mentioned above that price-checking is up in each retail category we analyzed. The practice is most common in fuel and grocery, which makes sense because customers in those categories said price is the top factor in their decision-making.

Who compares prices between locations all or most of the time?

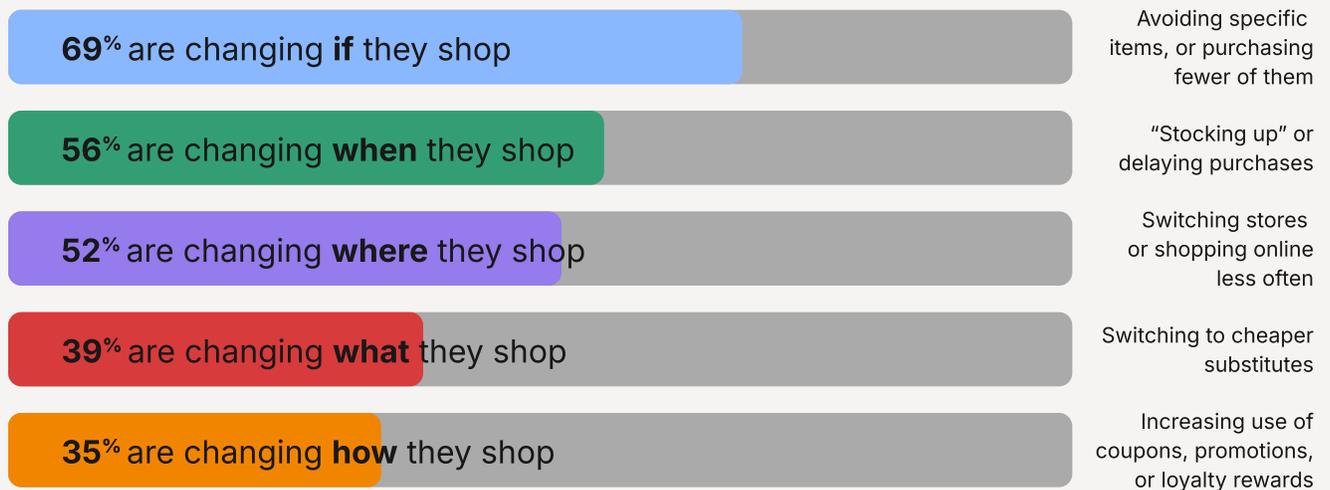


Tariffs drive behavior changes and adaptive value-seeking

In 2025, American tariff policies put that price sensitivity to the test.

Overall, **four in five consumers (79%)** report they have changed their behavior due to tariffs. The ways consumers are adapting to tariffs vary widely, but the most common lever is cutting back spend:

Consumers are behaving differently because of tariff-driven price increases



Source: Upside survey responses from 1,711 general population consumers, September 2025.



Whether delaying big purchases, buying in bulk, or visiting more affordable retailers, consumers of all kinds are behaving differently in light of growing sticker shock. Even higher-income consumers say they are behaving selectively, holding spend steady in some categories while splurging in others.

"Over the past year, I've cut back on dining out and switched to generic brands."

— Male, age group 35-44 | \$100,000 - \$149,999 income bracket

"Over the last year, I've tried to buy necessities in bulk to stretch my dollars further."

— Male, age group 25-34
\$50,000 - \$74,999 income bracket

"My spending has decreased because I have just bought less stuff than before."

— Female, age group 35-44
\$100,000 - \$149,999 income bracket



Why this matters: With most shoppers comparing prices and adjusting their behavior, purchase decisions are being made one transaction at a time. Few shoppers return to a retailer consistently out of habit. That represents both a challenge and an opportunity; retailers can push to win every transaction, even from new and lapsed customers.



03 THE RESPONSE

Retailers' tactics are reinforcing this behavior instead of breaking it

In light of these market pressures and changing behavior, retailers have done a lot to ensure consumers can access their business. It's what consumers want, and retailers were smart to provide it. But the data shows that these investments have actually made customers even *less* committed.

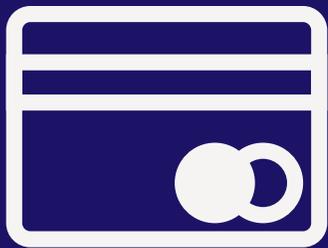
THE RESPONSE

Retailers' tactics are reinforcing this behavior instead of breaking it

We know that consumers say they're visiting more stores and spending more, on average. And while consumers are reporting increased spend in some categories, retailers know their transaction data well — and they likely have a different perspective.

When we analyzed 10 billion retail transactions, we found that **the average retail location's revenue is still not keeping up with inflation**. Likewise, we see the same trend with average check size, or, spending per visit.

This holds true across all categories.

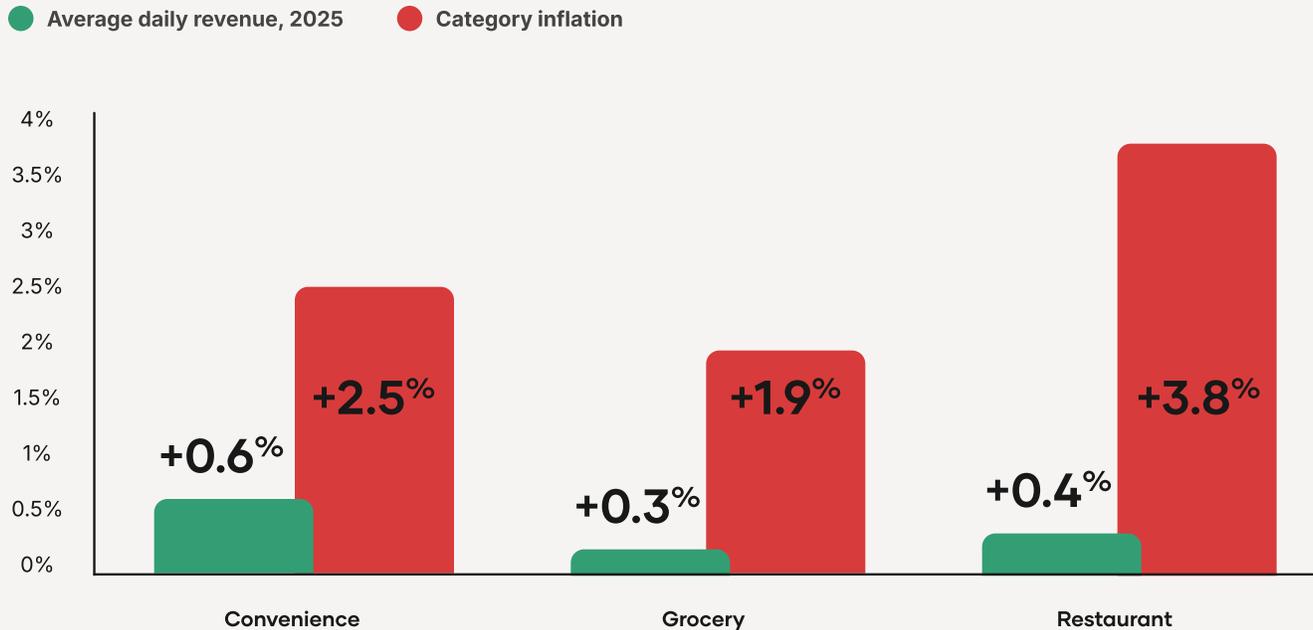


10 billion

retail transactions analyzed to compile the Consumer Spend Report 2025.

While revenue is up, it's being outpaced by inflation

Year-over-year changes by category



Sources: Average daily revenue figures come from Upside transaction data. Inflation comparisons come from the Bureau of Labor Statistics, compared against the same time horizon as the transaction data. Grocery inflation is measured as "food at home"; restaurant inflation is measured as "food away from home"; c-store inflation is measured as the combination of the two.

upside

Theoretically, if customers were cross-shopping within a fixed set of stores, we wouldn't expect declines in revenue per retailer — the loss from one customer could be offset by the gain from another. The fact that we *are* seeing revenue lag behind inflation is due to cross-shopping combined with increased competition — there are more stores to choose from and easier ways to access them. Together, those factors can lead to declining per-store spend, and it's putting real pressure on profitability.

Efforts to find relief are further complicated by tariffs. Though tariff impacts are often discussed in terms of the consumer experience, retailers feel the pressure, too. Retailers either absorb the rising costs from tariffs or pass those costs onto consumers — a choice that directly shapes price perception and trip frequency.

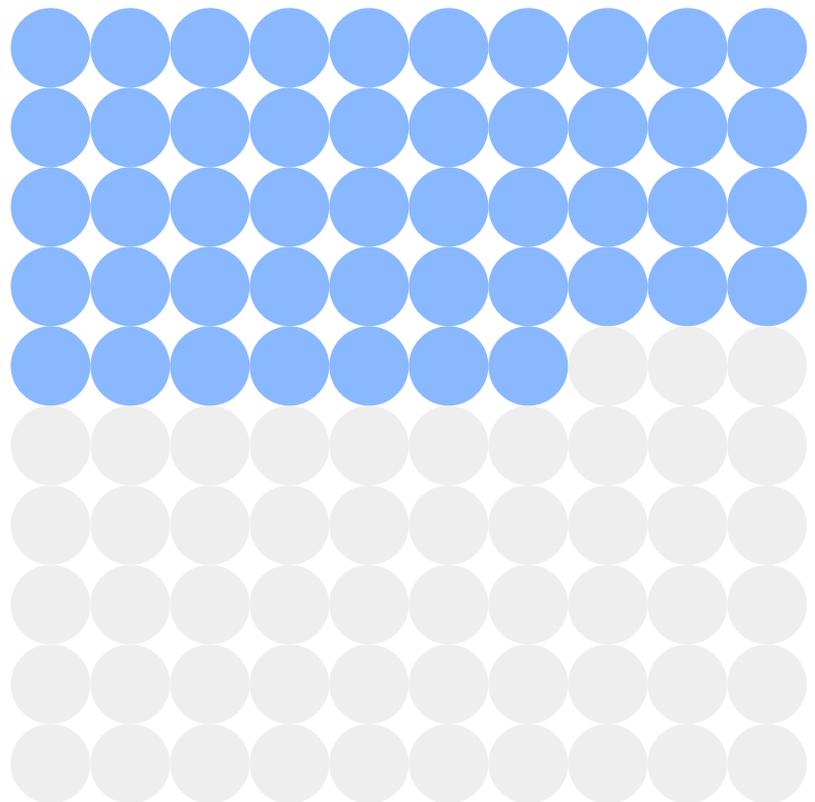
To this point, [many have chosen](#) the latter. And since 79% of consumers say they've changed their behavior because of tariffs, a significant number of trips and dollars are getting redirected.

Loyalty programs still matter — but they're having less impact

We've observed that a popular response to lagging revenue and the rise in cross-shopping was doubling down on loyalty initiatives. In our [semi-annual survey](#) of thousands of businesses, 47% of respondents told us they're focused on driving loyalty and repeat visits heading into 2026.

47%

of respondents told us they're focused on driving loyalty and repeat visits heading into 2026.



03: The Response

These investments were justified by the fact that consumers say loyalty programming is important to them:



Roughly eight in 10 consumers (up from seven in 10 in 2024) find it at least moderately important for retailers to offer rewards or cash back on purchases.



30% find it extremely important — a figure that's up 11 percentage points year-over-year.

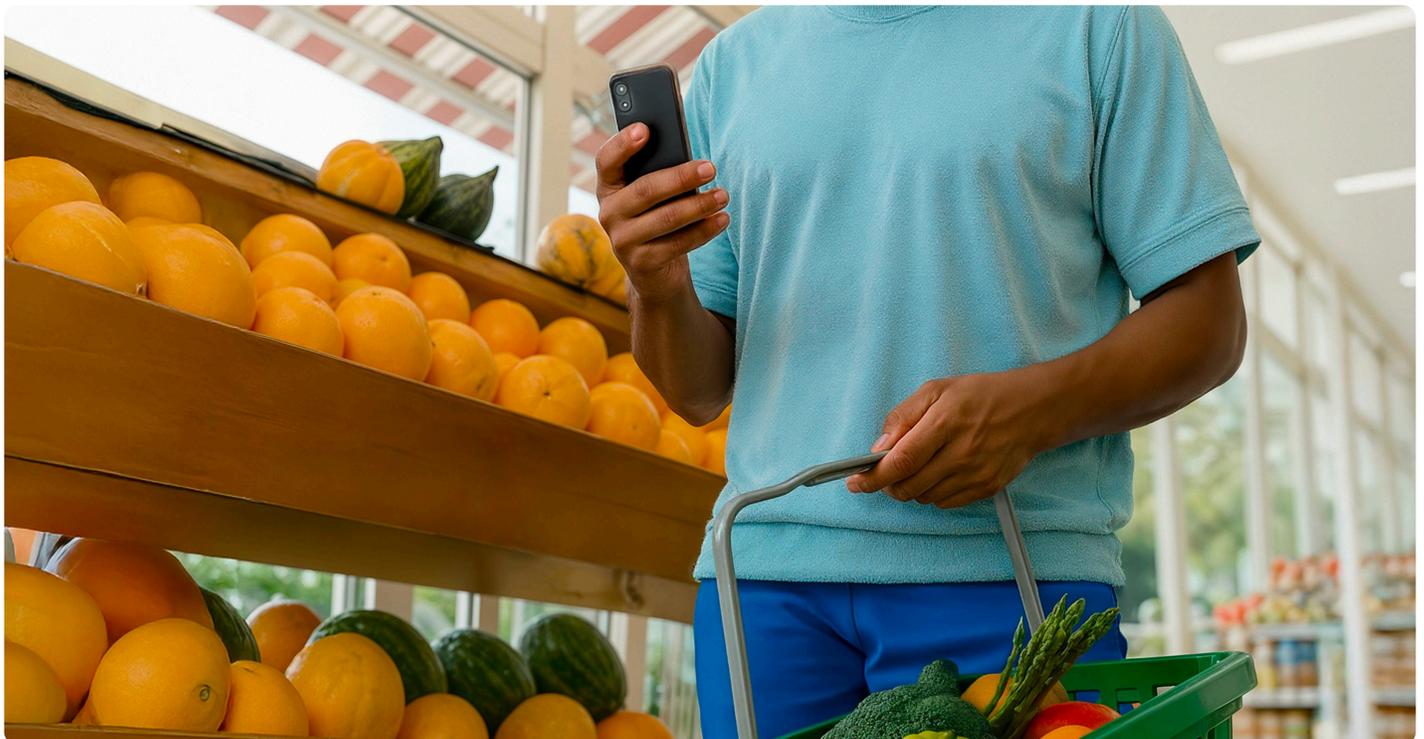


For the first time, the majority of consumers **(52%) view loyalty and cash back programs as worth the effort** to earn and redeem savings.

But loyalty programs are now ubiquitous — having a program is effectively table stakes in retail. In this environment, it's become harder for retailers to differentiate themselves with their program, and engagement has stalled.

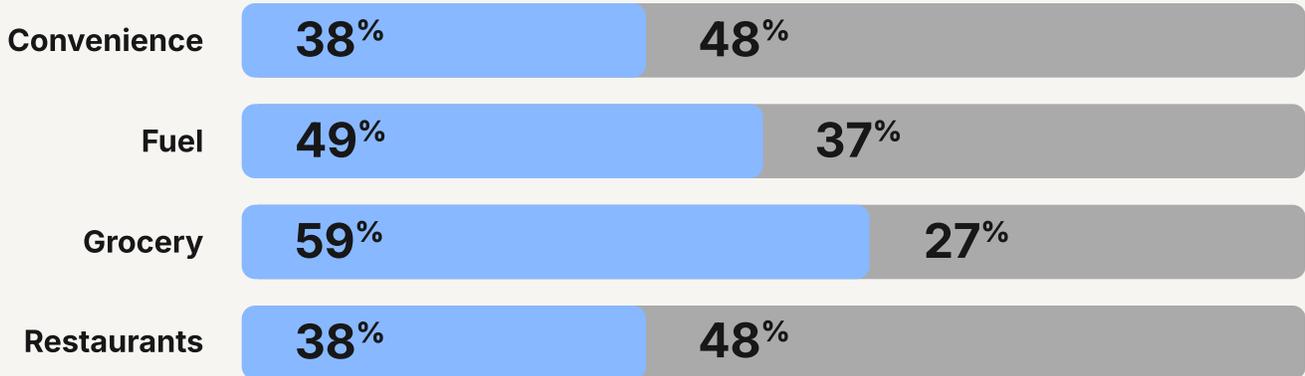
Even though consumers see the value in loyalty, that doesn't necessarily translate into *consistent* usage. Our survey shows only a minority of consumers are actually using these programs consistently.

Ultimately, what we're left with is a wide and critical gap — the very large majority of consumers say loyalty is important, but many fewer consumers actually use their loyalty programs frequently.



A wide gap exists between customers who say loyalty rewards matter and those who actually use them

● Shoppers who use loyalty rewards, cash back, or discounts "most of the time" or "always" ● Opportunity gap of loyalty



*86% of shoppers say loyalty rewards or cash back are "moderately," "very," or "extremely" important.

Source: Upside survey responses from 1,711 general population consumers, September 2025.

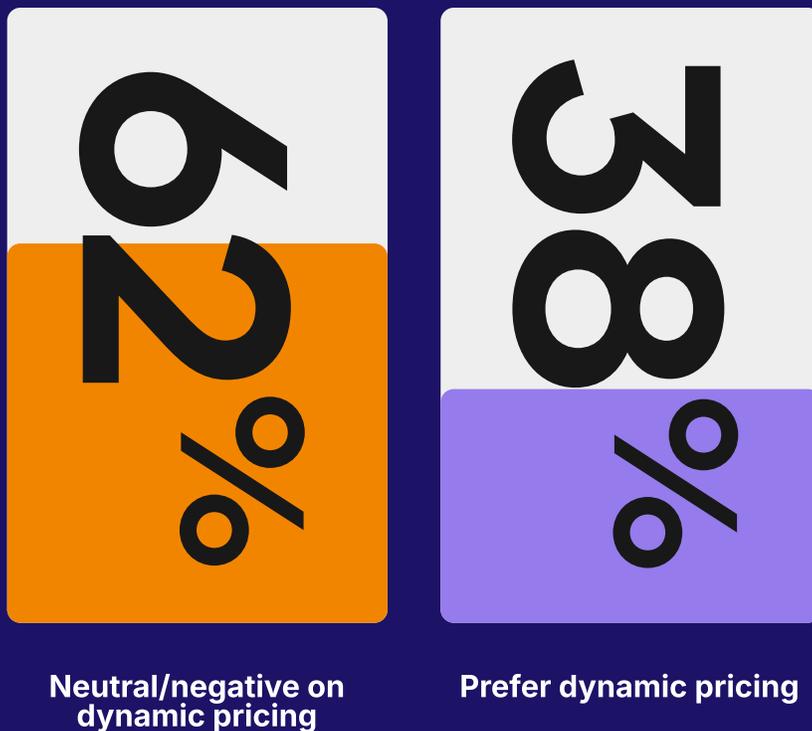


It's not just consumers saying loyalty isn't giving them what they want — **retailers actually agree.** In that same retailer survey, roughly half of respondents told us neither loyalty program participation nor loyal customer behavior is changing. For all the [investments](#) retailers are making on this front, they're not getting better returns.

It might also surprise retailers to learn who *actually* is using loyalty and cash back programs: higher-income customers. These wealthier individuals are surprisingly more likely to use these programs across all purchasing categories. They are also more willing than lower-income customers to change stores due to these programs. This is further evidence that consumers up and down the income ladder are exhibiting uncommitted behavior.

Testing new pricing approaches

In an attempt to break the uncommitted behavior their customers are exhibiting, retailers have begun experimenting with dynamic pricing, a strategy where prices fluctuate up or down based on business factors like demand.



To this point, the experiments have been cautious, because a **majority of consumers (62%) have a neutral-to-negative reaction to dynamic pricing.** Compared to last year, though, consumers are actually more open to it. In 2025, **38% prefer that a retailer use dynamic pricing**, a 13-point increase year-over-year. Though this accepting group is growing, it is still a solid minority.

Some retailers have been attempting to minimize consumer backlash while still pursuing growth with **personalized promotions**. More than half (**53%**) of consumers had a positive reaction to retailers using personalized promotions, up eight percentage points from 2024. In all, these figures show consumers have a strong preference for personalized promotions over dynamic pricing.

53%

What is it about personalized promotions that resonates with customers? Consumers respond more positively to personalized promotions than to dynamic pricing. That's because for consumers, personalized promotions are dynamic, engaging, and valuable. For retailers, they change consumer behavior without giving away too much margin.

Furthermore, consumers are more likely to believe that personalized promotions are mutually beneficial. In our survey, 66% of consumers said they believe personalized promotions are good for the retailer *and* the shopper — 20 percentage points higher than those who believe dynamic pricing is good for both parties.



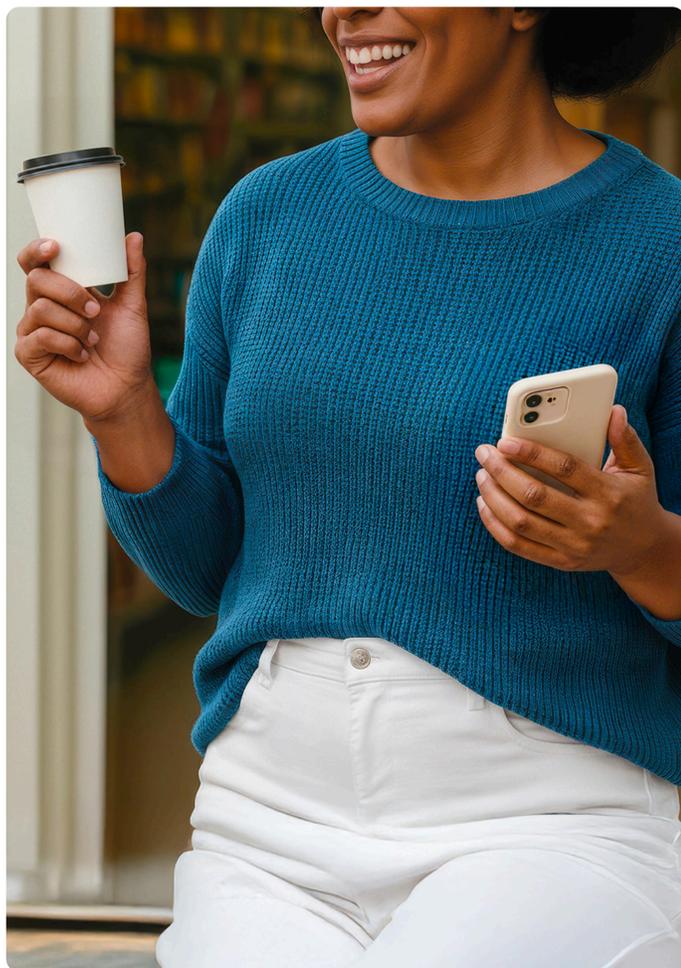
Why this matters: Over the past five years, retailers say they have made their businesses more accessible, embraced digital tools, and invested in loyalty. Transaction data shows these initiatives worked, retaining customers during a volatile time. But we also see an unintended consequence: These efforts have inadvertently accelerated the rise of uncommitted behavior. In other words, retailers have made it easier for customers to come in, but they've also made it easier to leave.



What this means for retailers in 2026

The 2025 data makes one thing clear: Uncommitted behavior is becoming further entrenched in all retail categories.

Market pressures from tariffs to persistent cost fatigue are pushing consumers to assess value in every transaction. As a result, shopping habits are more fragmented, price sensitivity is elevated across categories, and loyalty behaviors remain inconsistent.



The way retailers responded to some of those pressures — making investments that improved the accessibility of their businesses — worked for a time, but they inadvertently helped to reinforce uncommitted behavior.

Understanding these uncommitted customers and retaining them over time is the new challenge that retailers must rise to meet.

The Consumer Spend Report 2025

Get in touch

Reach out