

Retail media, the store, and Gen Z: What our analysts are excited about for NRF 2025

Article

The National Retail Federation (NRF)'s Big Show is happening in New York City this weekend, and will offer an opportunity for [retail media networks \(RMNs\)](#) to pitch themselves to

advertisers.

Even though [retail media](#) is huge—exceeding \$62 billion in US ad spend this year per our forecast, most of those ad dollars will go to the biggest RMNs. The remaining players are vying over the same \$8.58 billion that isn't scooped up by [Amazon](#), [Walmart](#), or Target.

Standing out from the crowd

This long-tail of RMNs will likely use NRF to win over a share of that ad spend slice by emphasizing what makes them unique, from [connected TV](#) (CTV) partnerships to in-store sampling to unique audiences. For example, Ulta Beauty has a unique vending machine sampling program, and HEB boasts a [unique regional audience](#).

“Retailers are still learning how to market themselves and their media offerings, so being at the Javits Center should provide a unique perspective on how retail media's sellers are positioning themselves, both on their own and against one another,” said our analyst Max Willens.

Particularly, Willens will be looking to see how these RMNs can tie [full-funnel](#) offerings together from a [measurement](#) standpoint at this year's conference.

Learn more: [From black and white to color: How retail media networks are navigating the display revolution](#)

The volume of RMNs available makes it challenging for brands to advertise across multiple media networks. Four in five brands advertise with six or fewer RMNs, according to Turbyne.

“2025 will be the year when the challenge of building a sustainable retail media organization comes into focus,” said our analyst Sarah Marzano. “While the RMN ecosystem seems to welcome a new entrant every week, just a handful of players dominate, capturing more than 85% of all RMN ad spending. With the industry convening to kick off 2025 at NRF, I will be excited to wade further into the debate over what it will take for the long tail of retail media networks to succeed.”

One new entrant is Costco, which has an advantage approaching the opportunity and challenge physical stores present for retail media. In-store spend makes up just 0.8% of omnichannel retail media spend in the US, per our forecast. Brands are hesitant to put more money into stores because the effects of in-store advertising can be difficult to measure.

“Anyone paying an ounce of attention will recognize that Costco has the scale and data to quickly become a formidable player in the space,” Marzano said. “Consider that every in-store shopper is a known customer, thanks to Costco's robust membership model, and the fact that Costco is the third largest retailer in the country.”

Learn more: [Retail change maker interview: Mark Williamson, AVP Retail Media, Costco](#)

Generational challenge

Focus on the store will also be central for brands and retailers at NRF looking to reach [Gen Z](#), which will have \$12 trillion in spending power by 2030, according to Nielsen IQ. Gen Z has a keen eye for spotting—and ignoring—advertisements, meaning traditional retail media formats like search and display can have trouble reaching them. Brands must take a layered approach to reaching the digital natives.

“[Social](#), [mobile](#), and video all play important roles in the Gen Z shopping experience, and their influence extends to offline channels like stores, where young shoppers seek out novel experiences that they can't get online, along with a sense of real-world community that can offer a respite from their always-online lives,” said our analyst Sky Canaves.

Learn more: [The social commerce opportunity: How brands are winning over Gen Z consumers where they live](#)

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