

Retail media is in 'uncharted territory,' says Microsoft head

Article

“What’s really exciting about **retail media** is a lot of it is uncharted territory,” said Paul Longo, general manager of retail media at Microsoft. “We’re in inning two, inning three. What’s gotten us here will not get us where things need to be.”

Innovations in generative AI, breaking down marketing silos, and building out media in-stores will bring marketers and retailers to that place, he said.

Generative AI is not replacing creative teams, said Longo. But it is minimizing the lift of production. “If you’re a small brand, and maybe you don't have an agency, you can have the Creative Studio [Microsoft's retail media creative solution] just scrape your product page, pull an image in, design an ad based on your style guide, and then auto-tune and optimize.”

That’s good news for what Longo called “torso and tail brands,” those mid- to small-sized brands that may not have a large marketing budget but can still benefit from retail media advertising. Smaller brands are slower than big ones to advertise with new **retail media networks** (RMNs), said Longo. AI tools that can build creative quickly and with little cost can also unlock ad spend from these brands.

Retail media ad spend also gets held up by siloed budgets, said Longo. Shopper marketing and brand marketing teams for the same product may be completely separate, even though they may be buying ads with the same RMN. A unified head of retail media ad spend can help these brands work more “fluidly and nimbly” across channels, he said.

Microsoft is focused on in-store retail media. Investing in tech that already exists in-store, rather than futuristic digitizations that shoppers and retailers are slower to adopt, can help advertisers activate and scale in-store retail media right now.

Our analyst Sarah Marzano had a similar opinion, saying **in-store retail media should** not “feel disruptive. “You don’t want something that’s effectively acting like a pop-up ad interrupting your in-store shopping experience,” she said.

This was originally featured in the Retail Media Weekly newsletter. For more marketing insights, statistics, and trends, subscribe [here](#).