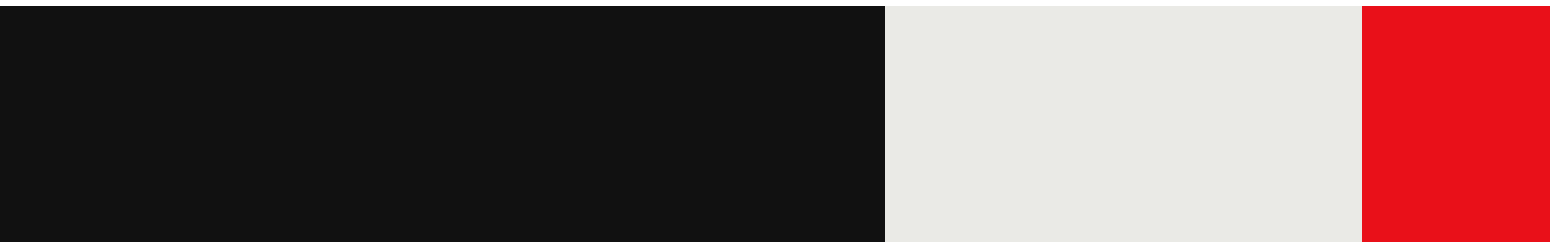



# 4 ways AI is transforming retail media

## Article



Some 53% of marketers believe AI will significantly enhance the way shoppers are targeted and served relevant ads, per a survey from Cooler Screens. Both AI and [retail media](#) are still developing. As both of these areas mature, AI will make retail media data even more powerful. Here are some ways AI is improving retail media.

**Ad-targeting and personalization:** 52% of marketers predict AI will enable highly personalized shopper experiences, according to Cooler Screens.

- Brands using AI and machine learning to personalize ads have seen a 1.3 times increase in incremental return on ad spend, according to data from 84.51°.
- For Kroger Precision Marketing, personalizing ads looks like adjusting copy and imagery based on whether an ad is [targeting](#) pet owners, eco-friendly shoppers, or health-conscious consumers.
- Generative AI can be used to adjust campaigns based on contextual data like location. For example, the same ad for beer could be adjusted from one state to another to feature a different football team's fans.
- Generative AI can also be used to generate entire images, as is the case for Amazon Ads.

**Marrying in-store and online data:** 54% of marketers view AI as crucial for seamless integration of online and offline data, according to Cooler Screens.

- In-store advertising will make up just 0.7% of US omnichannel retail media ad spend this year, per our March 2024 forecast.
- But 83.7% of total US retail sales will happen in-store, per our February 2024 forecast.
- There is massive potential for retail media advertising in-store, but it's more difficult for advertisers to measure the success of omnichannel and in-store campaigns on physical retail sales than to measure how an online campaign results in an ecommerce sale.
- As AI evolves, marketers are optimistic about its ability to make sense of in-store and online data, telling a complete customer story, which could unlock more in-store retail media ad spend.

**Incorporating inventory data into ads:** Ads for products that aren't in stock are wasteful for [retailers](#) and brands.

- [Walmart Connect and Walmart Luminat](#)e have combined ad and inventory efforts to help refine ad messaging. For example, advertisers can target segments of a brand's customer base that are trading down and target them with value-based messaging.
- AI can monitor these inventory levels and adjust ads based on availability.
- Walmart expects AI to enhance these insights in the year ahead, as Walmart Data Ventures's Mark Hardy said in an interview with Retail TouchPoints.

**Making sense of the wealth of retail media data:** Retail media offers extensive data to brands, but even savvy marketers can have trouble making sense of the volume of information collected.

- Brands working with multiple retail media networks have the added challenge of making sense of data across platforms using different metrics.
- Focusing on the metrics that are most important for your brand, rather than looking at every channel and data point, is the best way to prioritize retail media data, said Kristina Ciampi, head of measurement, go-to-market, for [Amazon](#) at [Advertising Week New York 2023](#) in October.
- AI can help drill down what the best data points are to focus on. It can also summarize large quantities of data to build a broader image.

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