

Why Microsoft's AI Ad Strategy Deserves More Attention From PPC Managers via @sejournal, @brookeosmundson

Microsoft announced a wave of AI updates this week, and most of the coverage will likely focus on the individual launches. New targeting options, diagnostics, commerce tools, Copilot enhancements, and campaign features will naturally get the headlines.

What stood out to me was the broader vision behind them.

Microsoft is not just talking about better ads. They're talking about a different internet, where businesses need to be relevant to both people and AI systems helping shape decisions.

In their announcement this week, AI agents are becoming the fastest-growing audience. The company says automated traffic is growing 8x faster than human traffic, AI-driven sessions nearly tripled in 2025, and agentic browser traffic is up roughly 8,000% year over year. Those visitors don't browse the way people do. They evaluate, select, and act. If a brand's data is weak, incomplete, or untrusted, they move on.

That changes what modern performance marketing may require. Visibility inside AI answers, stronger product data, better measurement, faster diagnostics, audience precision, and clearer control over automation all start to matter more in

that environment.

Google is pushing many of these same themes in its own way, especially around product feeds, automation, and AI-assisted search experiences. But Microsoft's recent announcements offer a distinct perspective on where advertiser value may come from as discovery and buying behavior continue to shift.

Because underneath the product updates is a bigger question for PPC teams: how do you compete when the next valuable audience may not always be human?

Microsoft Is Selling A Different AI Future

Most platform announcements focus on what a new feature does. Microsoft spent more time explaining why advertiser behavior may need to change.

Their framework centered on three parallel realities:

- People still searching on their own (the Human web)
- People using AI to compare options (the LLM web)
- AI systems taking action on behalf of users (the Agentic web)

What they're saying beyond these parallels is that customer journeys are less linear and are finally being recognized as such.

For years, many PPC teams optimized around the click because the click was the clearest measurable moment. Someone searched, clicked, landed, and converted. That model still matters, but it no longer explains every influence that leads to a sale.

If an AI assistant narrows the shortlist before a search happens, the brand has already won or lost ground. If a

shopping assistant compares shipping speed, loyalty perks, and product availability in seconds, the decision may be shaped before the landing page visit. If an agent eventually completes more transactions directly, structured data and transaction readiness become part of media performance.

That is why this announcement deserves more attention than a standard product roundup. Microsoft is describing a future where paid media performance depends on more than media settings.

Why This Matters For PPC Managers

Many advertisers are still operating with a channel mindset. Additionally, these channels likely sit within different teams in an organization (Search, SEO, CRM data, Analytics, etc.)

That separation becomes harder to sustain and sustains friction if buying journeys are influenced by connected systems rather than isolated clicks.

This is where the role of PPC teams can start to expand and/or evolve.

Strong practitioners still need campaign skills – that's never going to change. They also need to spot when the real constraint sits outside the account, bring the right teams together, and push improvements that create better inputs for the platform.

Having these skills become your advantage as a PPC marketer down the road when campaign management and optimization become automated, but that's a subject for another day.

How Microsoft's AI Vision Takes A

Different Approach

Google remains the largest force in paid search. It also continues to launch strong AI updates across bidding, creative, search experiences, and campaign management. This is not about Google falling behind.

What stood out to me was where Microsoft placed its focus.

A lot of AI discussion still centers on better ads, faster automation, or the next big interface. Microsoft spent more time talking about how buying behavior is changing and what advertisers may need to do differently.

Their view suggests the audience is no longer only the customer.

It can also be the AI system helping compare products, narrow options, recommend brands, or complete tasks on someone's behalf.

That is where I think Microsoft's message becomes more interesting than a standard product launch. They are pushing marketers to think beyond clicks and impressions and pay closer attention to how decisions are being shaped before a traditional ad interaction ever happens.

If that shift continues, many teams will realize they were optimizing the final step of the journey while missing the earlier moments that influenced the outcome.

AI Visibility In Microsoft Clarity Is Their Competitive Advantage

If I had to choose the most useful announcement for marketers, I would put AI Visibility in Microsoft Clarity near the top of the list.

Why? Because it speaks to a blind spot many businesses may

already have.

A lot of performance reporting has been built around clicks, visits, and conversions that happen in trackable sessions. As AI tools start summarizing answers, citing brands, and influencing decisions before someone reaches a site, that model becomes less complete.

Some brands may already be winning attention in those moments. Others may be losing ground. Many likely cannot see either clearly today.

That is what makes this update so interesting.

Microsoft is giving businesses a way to understand how AI systems discover, cite, and surface their content. You do not need to advertise on Microsoft for that to matter. SEO teams, content teams, e-commerce leaders, and paid media teams all have a reason to care about how their brand appears in AI-driven experiences.

My bigger view is that tools like this will eventually become normal. Right now, Microsoft is one of the first major platforms speaking clearly about the problem and trying to give marketers something actionable to measure.

Audience Generation Could Be More Useful Than It Sounds

Audience Generation may sound like another setup feature, but I think it deserves more attention than that.

Microsoft describes it as an AI-powered audience assistant where advertisers can describe an ideal customer in natural language and receive recommended targeting settings. That can include demographics, locations, in-market signals, and dynamically generated audiences.

What interests me most is how this could improve strategic

thinking, not just save time during campaign creation.

Many advertisers already know their obvious audience. But strong audience strategy often depends on ideas a team does not think to test.

For example, an advertiser may know they want “young professionals interested in fitness.” They may not think about adjacent areas where those consumers spend time, neighborhoods with stronger purchase intent, seasonal behaviors tied to events, or combinations of signals that reveal higher-value segments.

That is where a tool like this can become valuable.

Used thoughtfully, it can help marketers find new angles to test, challenge stale audience assumptions, and build stronger targeting plans than they may have created manually.

How Microsoft Is Turning That AI Vision Into Practical Tools

A broader vision only matters if it shows up in tools advertisers can actually use.

That is where Microsoft’s recent updates become more interesting.

Explainability Is Part Of The Product

One of the more useful launches was performance shift root-cause analysis inside the Microsoft Advertising Platform.

When results move sharply, most marketers don’t need another dashboard. They need to know what changed and clear “why”. Without the why, marketers can’t identify how to improve campaigns or pivot strategy.

Getting to that answer faster can save hours of manual work.

It can also help teams act with more confidence instead of making reactive changes.

Google is thinking in a similar direction. Its Ads Advisor experience is also designed to help advertisers ask questions, surface insights, and understand account performance faster.

The opportunity for marketers is not choosing one assistant over another. It is using these tools to reduce analysis time and spend more time on better decisions.

Guardrails Still Matter

Microsoft also emphasized brand exclusions, term exclusions, and messaging constraints tied to AI-powered products like AI Max.

It mimics where Google has gone with their AI Max direction and broader advertiser controls across automated products.

That matters because many advertisers are not operating in a world where they can simply turn everything on and hope for the best. Legal review, brand standards, regulated categories, stakeholder approvals, and internal risk tolerance all shape how new tools get adopted.

That is why control features deserve more attention than they usually get. They are often what make adoption possible in the first place.

Product Data Continues To Be Bigger Than Shopping Campaigns

One of the clearest signals from both Microsoft and Google right now is that product data is starting to matter far beyond traditional Shopping campaigns.

Clean titles, accurate availability, pricing consistency, strong attributes, shipping details, and trustworthy

structured data can now influence how products are surfaced across search experiences, AI recommendations, comparison journeys, and agent-assisted buying flows.

That is exactly why I wrote last week that Google's product feed strategy points to the future of retail discovery. Product data is no longer just supporting Shopping campaigns. It is becoming part of how platforms understand inventory, evaluate relevance, and decide what gets shown in newer discovery environments.

Microsoft's recent announcements point to the same shift through a different lens. Google is emphasizing Merchant Center and commerce surfaces. Microsoft is emphasizing agentic commerce, Copilot experiences, and AI visibility.

Feed health is becoming a growth issue, not just an operations issue – something that both Google and Microsoft are telling the industry.

What Advertisers Are Saying

Navah Hopkins, the Microsoft Ads Liaison, took to LinkedIn to share her thoughts on these updates. She highlighted diagnostics, clearer explanations, and the idea that marketers should decide what they own, what they share with AI, and what they delegate. That framing reflects how adoption actually happens inside businesses. Teams rarely hand over everything at once. They test where trust has been earned.

She also pointed to Microsoft Clarity as an increasingly valuable source of behavioral insight as AI-driven experiences grow, which I completely agree with.

Mark Creusen added his thoughts to her post:

The owning and sharing bit always pops for me. Way easier to chill about AI when you just mark out what's "yours" and what you're happy to throw to the bots instead of trying to

wrangle it all. Otherwise teams just end up dragging each other to burnout mountain.

Frederick Vallaeys focused on another risk: invisibility. In his write-up after Microsoft's partner event, he argued that many businesses may be unprepared for AI-driven discovery and cited Microsoft's discussion around sites still blocking AI agents through robots.txt. He also highlighted strong early commerce statistics shared at the event, including higher purchase likelihood after Copilot interactions and conversion lifts tied to Brand Agents.

What This Means For Your Campaigns

The bigger lesson from Microsoft's updates is that campaign performance may increasingly be shaped by factors that sit outside the traditional campaign build. That includes how your products are structured, how clean your measurement setup is, how well your audiences reflect real buying behavior, and whether your brand is visible in AI-assisted discovery moments before a search click ever happens.

Below are a few areas worth reviewing that can help shape a broader operating mindset:

- **Product data quality:** If your feeds are incomplete, outdated, or inconsistent, the risk may extend beyond Shopping campaigns. Product titles, availability, pricing, shipping details, and attributes can influence how platforms understand and surface your inventory across emerging discovery experiences.
- **Measurement health:** Now is a good time to audit conversion actions, tag coverage, offline imports, and attribution settings. As journeys become less direct, weak measurement creates larger blind spots and poorer optimization inputs.
- **Audience strategy:** Many accounts still rely on narrow

audience assumptions or static segments. Revisit whether your current targeting reflects how customers actually behave today. There may be untapped value in layered signals, geographic nuance, seasonal behaviors, or adjacent intent patterns.

- **Search term coverage:** If AI tools help users refine decisions earlier, the searches that remain may become more specific, comparative, or action-oriented. Review whether your keyword strategy and ad copy are aligned to that shift in intent.
- **Platform diversification:** Secondary channels can become valuable learning environments before they become major budget lines. Even modest investment in Microsoft Ads can help teams test new audience models, automation controls, and reporting approaches that may influence broader strategy later.

Looking Ahead

Microsoft's biggest advantage may not be trying to out-Google Google.

It may be continuing to invest where it already has a credible edge: advertiser workflow tools, B2B audience intelligence through LinkedIn, clearer visibility into AI-driven discovery, and commerce experiences built for a world where assistants help shape decisions.

That is a different lane, and it could be a valuable one for marketers if Microsoft keeps executing.

The next year will likely tell us whether these announcements were a strong signal of where the platform is headed or simply another round of product updates.

Which of Microsoft's new AI features, if any, would you seriously consider testing in your own campaigns?

More Resources:

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