



Microsoft Advertising Insights

Brand lift across the Microsoft Audience Network: Tech and Telco

Market with a purpose to build trust with your customers



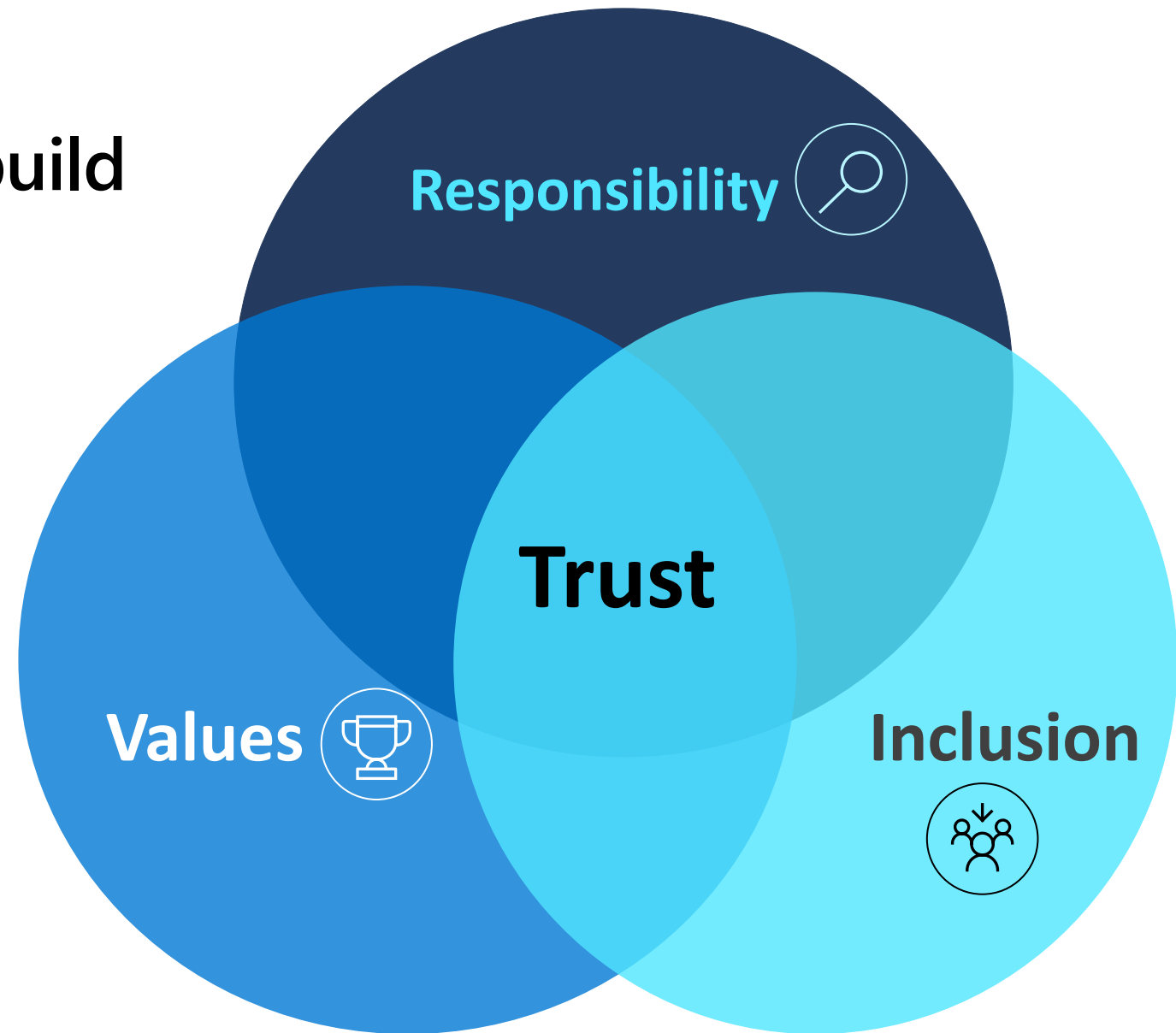
Focus on your responsibility to employees and consumers



Values should be more about the consumers you serve and less about the products you offer



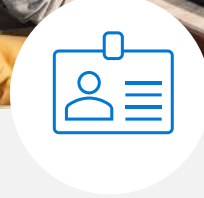
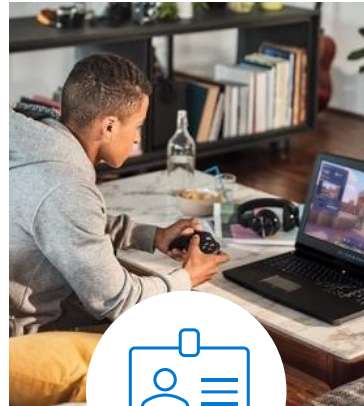
Inclusion creates authentic connections



Brands will need a **new** data strategy to meet their goals



A greater emphasis on first-party data



Importance of logged-in activity



A new reliance on context and behavior



Publishers and brands working more closely



New ways to track the decision journey

It's a new age for **privacy**



87% of people in the U.S. believe that **privacy is a right**, not a privilege¹



Brands and publishers invested U.S.\$19.7B in audience data and activation in the U.S. alone²



Regulations and consumer demand will change how brands collect and use data to engage with audiences

1. "Uncovering the trust drivers," Microsoft Advertising and LRW Research, 2019 (U.S.). 2. "The state of data," IAB, July 2020.

Microsoft's Audience Intelligence (AI) uses first-party data to identify consumer intent and drive performance

AI powered by billions of first-party data signals to identify the right permissioned audience



1. Microsoft internal data, June 2020, (<https://news.microsoft.com/bythenumbers/en/windowsdevices>). 2. comScore, August 2018. 3. Omnicore, May 2019. 4. Microsoft internal data.

Microsoft confidential

Start testing Microsoft first-party data

Using permissioned audience data at scale

Leverage the Microsoft Audience Network



Premium native placements
Strict publisher standards and AI-powered curation



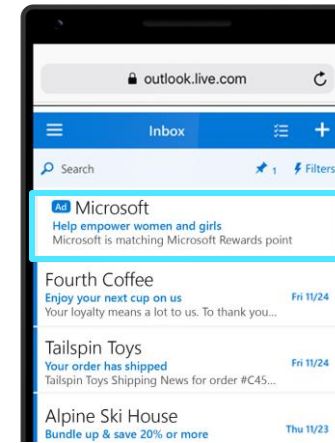
Brand-safe experiences
Transparency and controls for advertisers



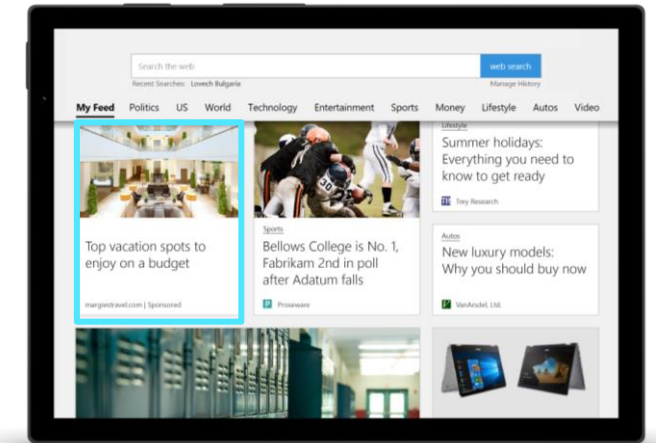
Highly contextual ad placements
Based on Microsoft first-party data



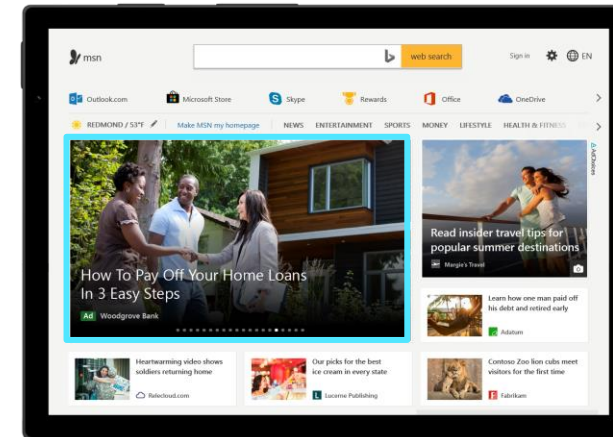
Strong industry ad performance
Driven by leading-edge AI technology



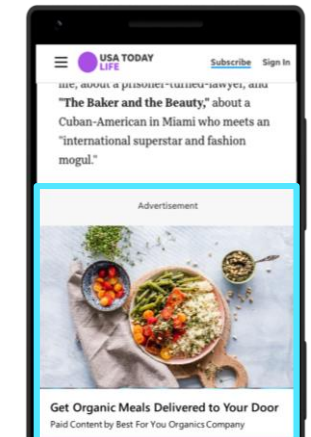
Outlook.com



Microsoft Edge



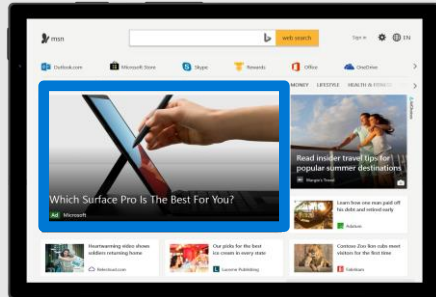
MSN



Select publisher partners

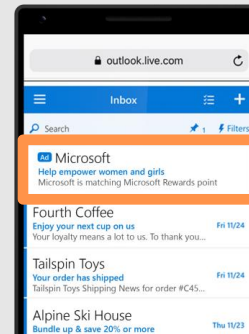
Meet your customer where they browse, e-mail, & search

Percentage of user overlap between Microsoft properties & Bing



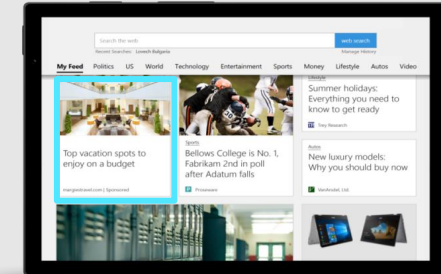
Microsoft News

69.6%



Outlook

48.4%



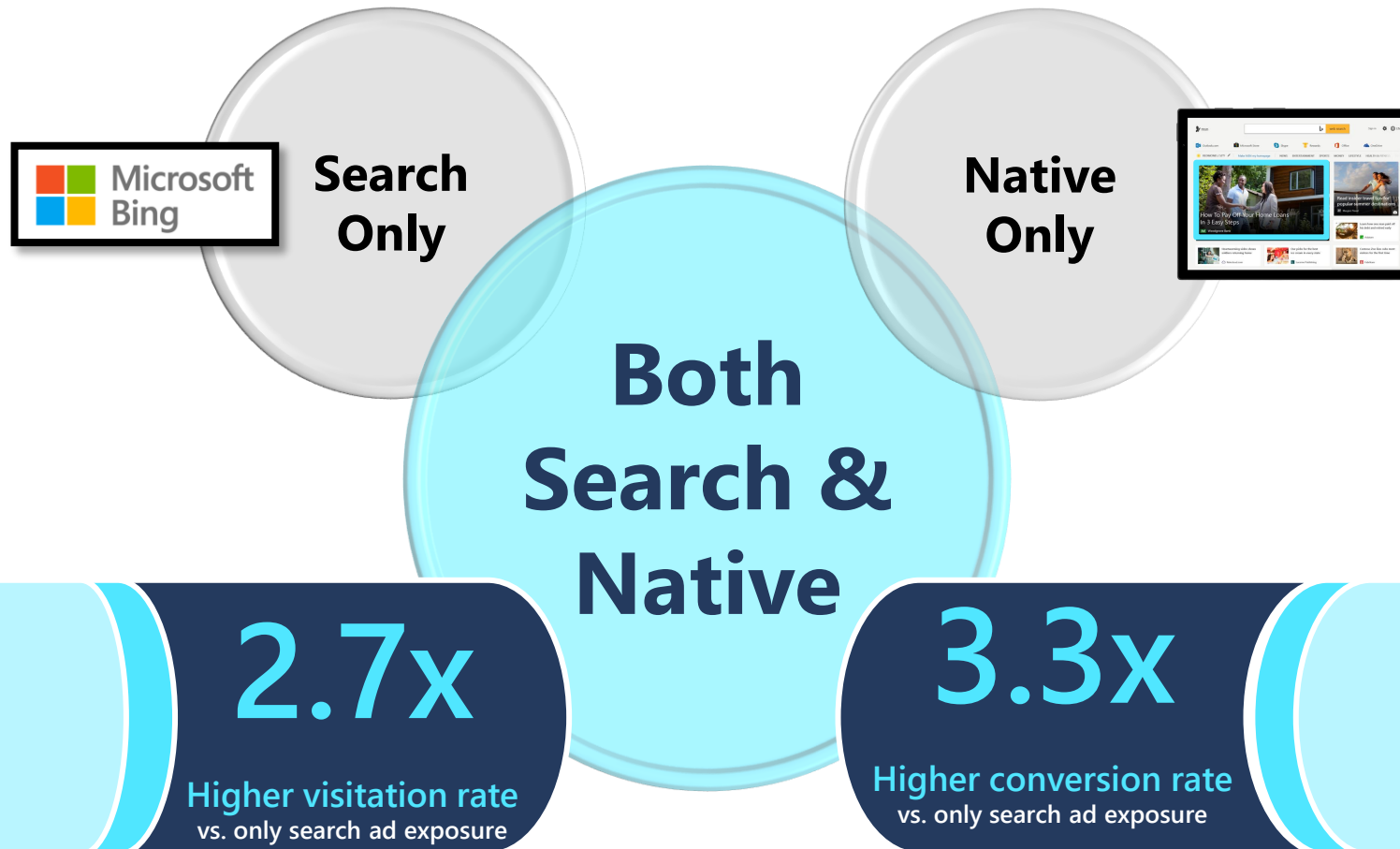
Edge & IE New Tab

72.6%



Maximize performance by combining Microsoft search & native strategies

Technology & Telecommunications Ad Effectiveness Study



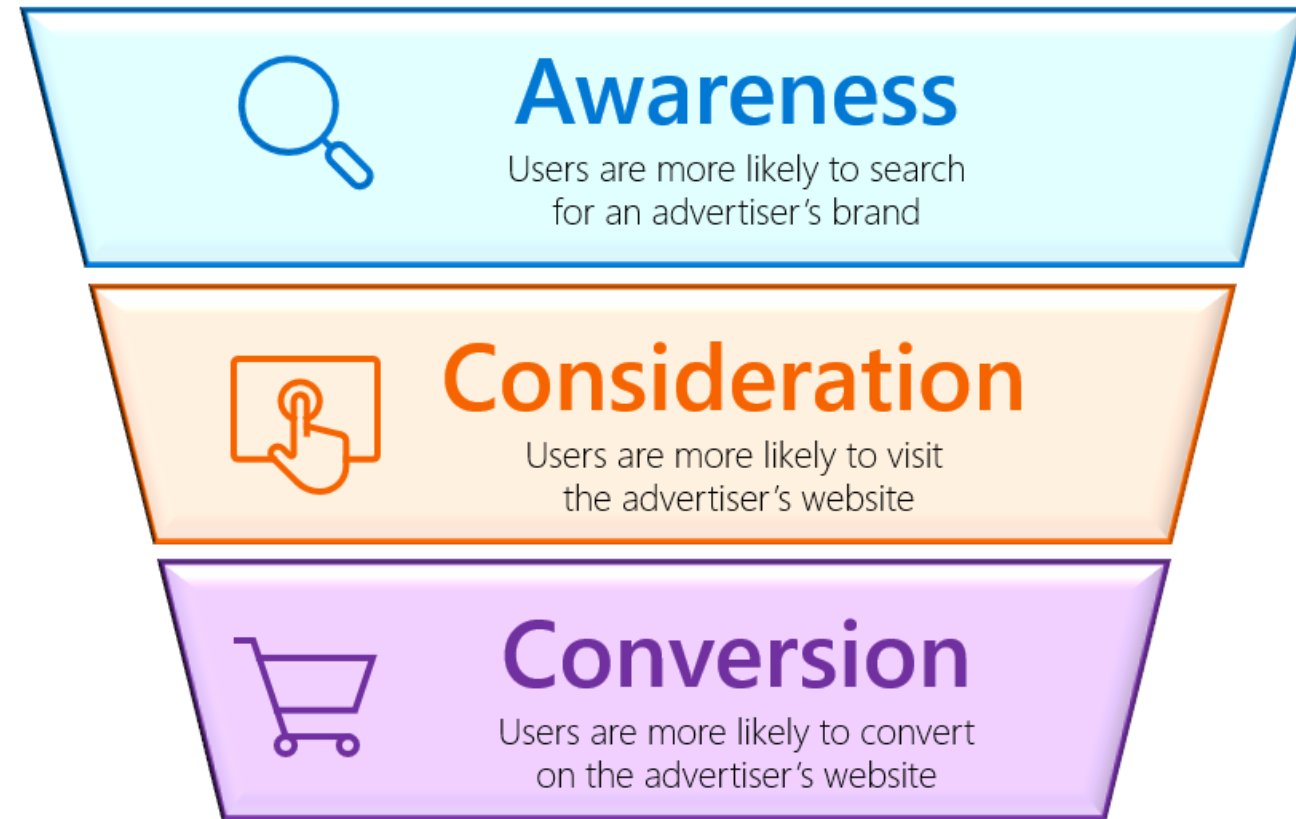
Users exposed to both Microsoft Search ads & Microsoft Audience ads are **more likely to visit and convert on a Technology & Telecommunications advertiser's website** compared to those who are exposed to only one type of ad

Notes: Results may vary for each advertiser based on campaign settings, targeted audiences, and other factors. Lift metrics represent an average of all Technology & Telecommunications advertisers with completed lift studies to date (Feb. 2021). These advertisers may be a non-representative sample of all advertisers on the marketplace. Lift measured between exposed users and a control group of eligible unexposed users, with lift represented on a per-user basis. Average user count per advertiser study = 844Kc

Audience ad exposure helps advertisers achieve greater...

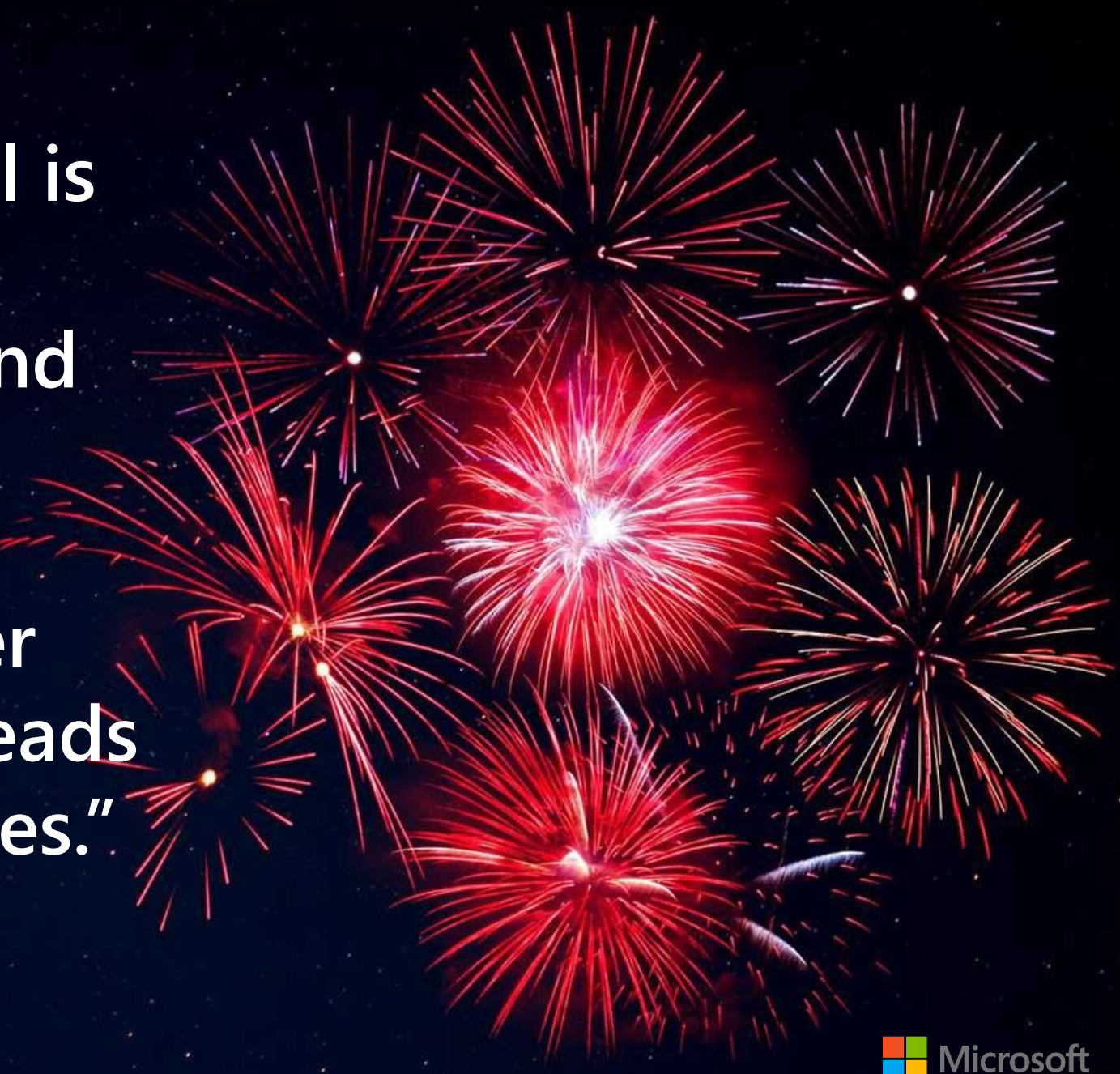
Hypothesis:

Microsoft Audience Ads in native environments drive a lift in engagement at every step of the marketing funnel for Technology and Telecommunication advertisers



“The (marketing) funnel is fed from the top, so generating fireworks and brand equity at the awareness stage will ultimately drive higher conversion rates, more leads and ultimately, more sales.”

- MarTech



In order to test our hypothesis, we compared online search behavior between those who saw Microsoft Audience Technology and Telecommunication ads and those who did not

EXPOSED Exposed to an advertiser's Microsoft Audience Ads



CONTROL Eligible, but not exposed to an advertiser's Microsoft Audience Ads



- Group 1** Exposed to both brand's Microsoft Audience Ads and search ads
- Group 2** Exposed to brand's Microsoft Audience Ads only
- Group 3** Exposed to brand's search ads only
- Group 4** No brand ad exposure

As predicted, we found that users exposed to Microsoft Audience ads engaged with brands at a higher rate

Technology & Telecommunications ad effectiveness study



AWARENESS

2.3x

*Lift in brand awareness
per user, measured by
post-exposure brand
search rate*



CONSIDERATION

5.0x

*Lift in brand consideration per
user, measured by post-
exposure domain visit rate*



CONVERSION

4.3x

*Lift in brand purchase per
user, measured by post-
exposure conversion page
visit rate*

Notes: Results may vary for each advertiser based on campaign settings, targeted audiences, and other factors. Lift metrics represent an average of all Tech & Telco advertisers with completed lift studies to date (Feb. 2021). These advertisers may be a non-representative sample of all advertisers on the marketplace. Lift measured between exposed users and a control group of eligible unexposed users, with lift represented on a per-user basis. Average user count per advertiser study = 844K



Achieve greater brand awareness

Technology & Telecommunications ad effectiveness study



AWARENESS

2.3x

Overall lift in brand awareness per user, measured by post-exposure brand search rate



Lead with In-Market and Similar audiences for widest reach of net-new users



Ensure campaigns are not budget constrained by monitoring Share of Voice Lost Due to Budget



Use Image & Video assets known for driving high awareness in other channels

Notes: Results may vary for each advertiser based on campaign settings, targeted audiences, and other factors. Lift metrics represent an average of all Tech & Telco advertisers with completed lift studies to date (Feb. 2021). These advertisers may be a non-representative sample of all advertisers on the marketplace. Lift measured between exposed users and a control group of eligible unexposed users, with lift represented on a per-user basis. Average user count per advertiser study = 844K



Achieve greater brand consideration

Technology & Telecommunications ad effectiveness study



CONSIDERATION

5.0x

Overall lift in brand consideration per user, measured by post-exposure domain visit rate



Allocate additional budget toward campaigns during peak seasonal periods



Target In-Market segments core to your product category as well as ones with high overlap

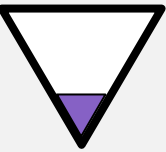


Promote brand value proposition with memorable ad copy to drive future engagement

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Achieve greater conversions for your brand

Technology & Telecommunications ad effectiveness study



CONVERSION

4.3x

*Overall in brand conversion
per user, measured by post-
exposure conversion page
visit rate*



**Ensure an evergreen
strategy, continually
optimizing bids & budgets
to exceed ROI targets**



**Test In-Market Audience
segments most relevant to
your core product category**

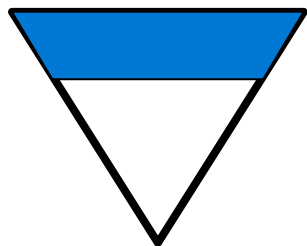


**Leverage feed-based ads to
engage users with specific
products they've researched**

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Top performing ad products by marketing stage

Technology & Telecommunications ad effectiveness study

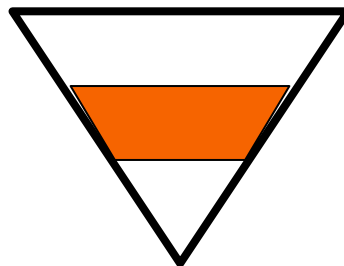


SIMILAR
AUDIENCES

saw a

3.1x

lift compared to 2.3x
overall awareness lift

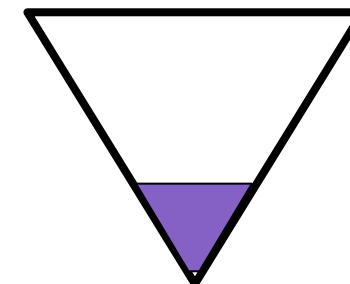


IN-MARKET
AUDIENCES

saw a

9.1x

lift compared to 5.0x
overall consideration lift



IN-MARKET
AUDIENCES

saw a

6.0x

lift compared to 4.3x
overall conversion lift

Notes: Results may vary for each advertiser based on campaign settings, targeted audiences, and other factors. Lift metrics represent an average of all Tech & Telco advertisers with completed lift studies to date (Feb. 2021). These advertisers may be a non-representative sample of all advertisers on the marketplace. Lift measured between exposed users and a control group of eligible unexposed users, with lift represented on a per-user basis. Average user count per advertiser study = 844K

Lift in brand awareness per user is measured by post-exposure brand search rate, lift in brand consideration per user is measured by post-exposure domain visit rate and lift in brand conversion is measured by post-exposure conversion page visit rate



Delivering on what matters most to YOU

Safety



- Evolving partnership with **Integral Ad Science** for Brand Safety & Viewability
- Premium & reliable ad placements away from user-generated content

Transparency



- **Full reporting suite** in the Microsoft Advertising User Interface
- Integration with 3rd party tools through **1x1 Impression tracking**

Ease of Use



- Ease of getting started through **Google & Facebook Import** tools
- Partnership with **Shutterstock** giving you access to over 300 million images

Key takeaways and recommendations



Brands should be consistently evolving in how they source their data and use it to target consumers

Reach your audience in brand-safe environments through Microsoft Audience Network



Our survey showed that combining search and native strategies can help push consumers down the marketing funnel

As predicted, users exposed to Microsoft Audience ads in the technology and telecommunications field showed higher brand lift than those who were in the control group



Microsoft Ad Network has an array of products your team can use to start capturing your target audiences

Tactics such as In-market Audiences and Similar Audiences showed the highest lift for advertisers in the technology and telecommunications industry

To get actionable data, insights and best practices to help make decisions and grow your business, visit MicrosoftAdvertising.com/Insights



Microsoft Advertising. Intelligent connections.

advertising.microsoft.com

Appendix

Methodology

Used experimental design principles to evaluate impact of Microsoft Audience Ads

EXPOSED

Exposed to an advertiser's Microsoft Audience Ads



Search behavior and
site visitation/conversion

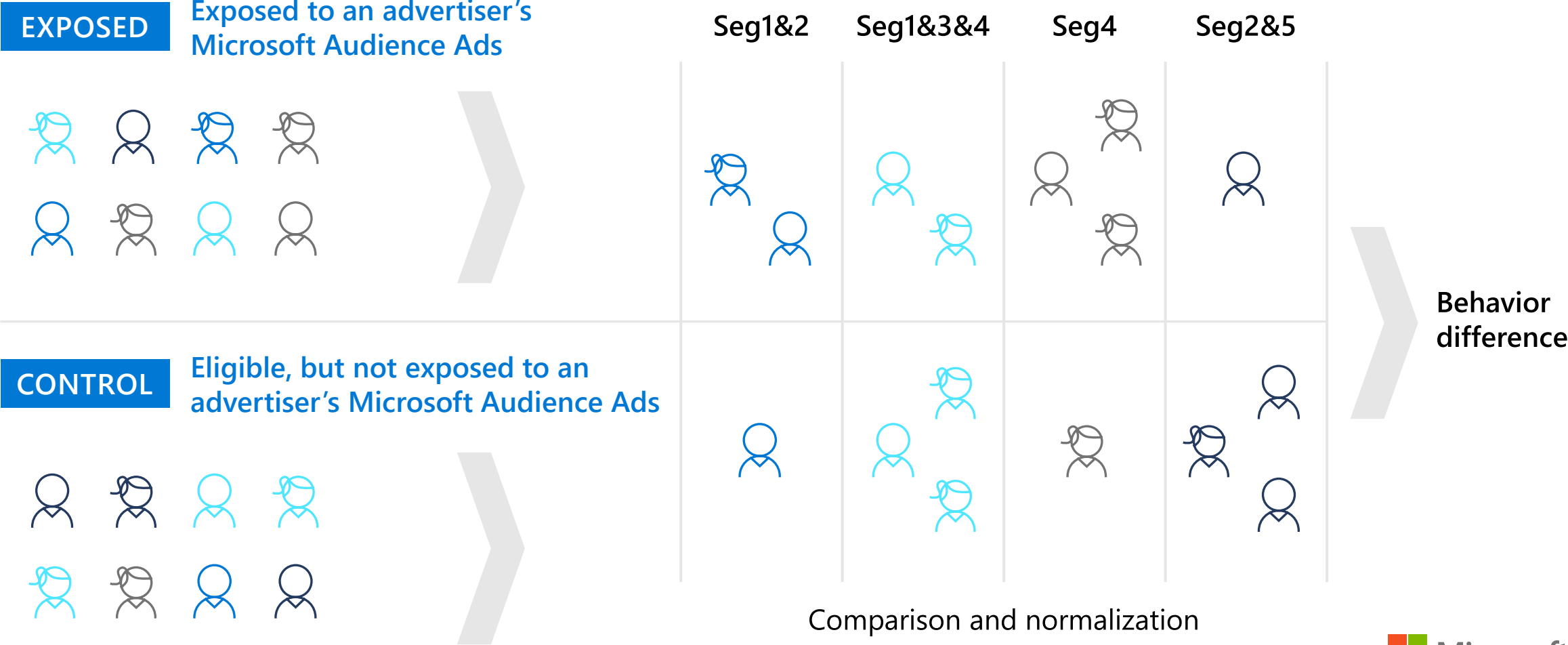
CONTROL

Eligible, but not exposed to an advertiser's Microsoft Audience Ads

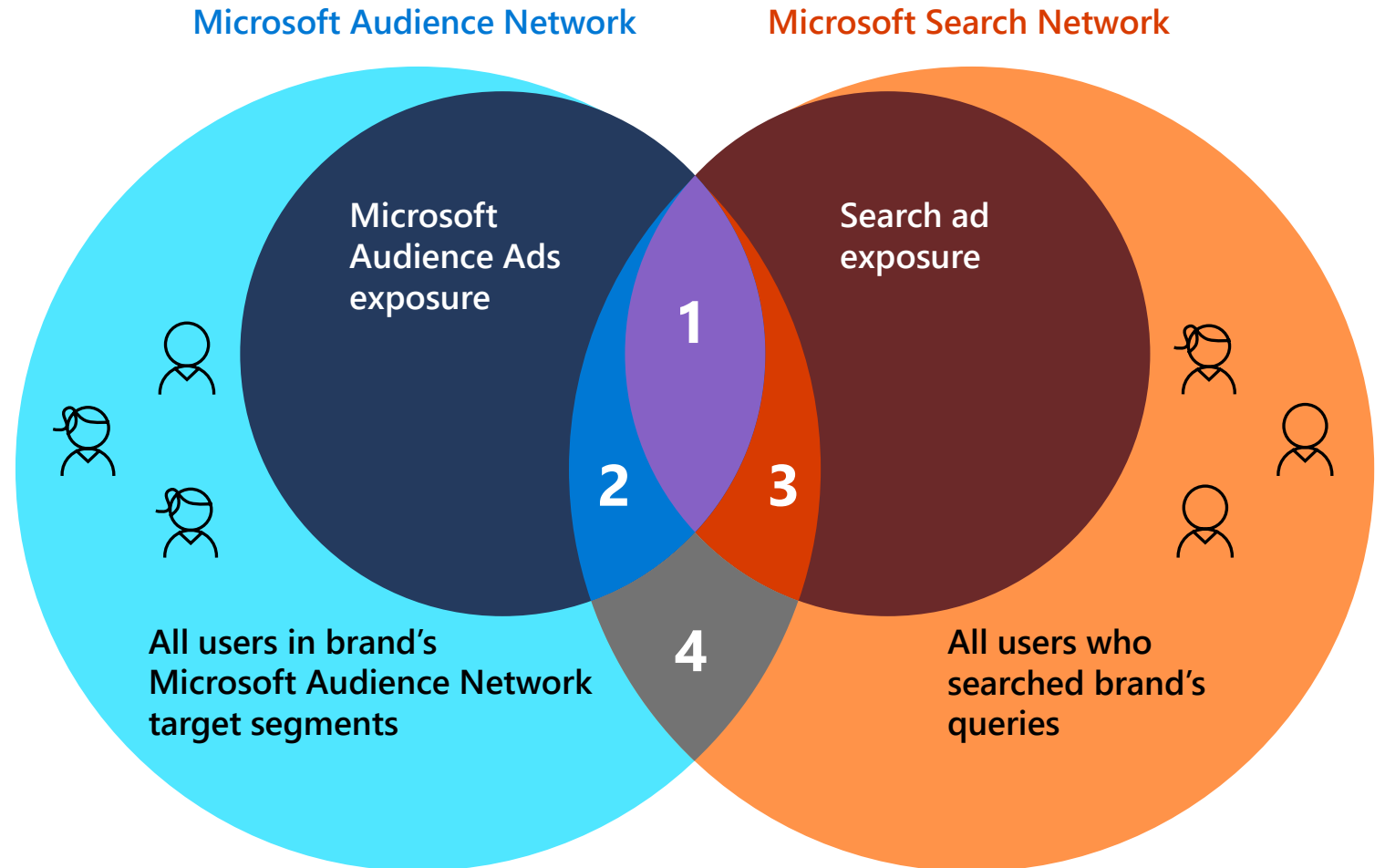


Search behavior and
site visitation/conversion

User segmentation and normalization are applied to ensure exposed and control groups are comparable



When connecting
our **Audience
Network** with our
Search Network,
we can measure
the true value of
advertising with
Microsoft



Group 1

Exposed to both brand's Microsoft Audience Ads and search ads

Group 2

Exposed to brand's Microsoft Audience Ads only

Group 3

Exposed to brand's search ads only

Group 4

No brand ad exposure

*The visual is to give representation of the four different audience breakouts and is not to scale.