Don / Peggy - Pre-Brief Notes
Confidential: Internal Briefing Document

MEETING INFORMATION
- **Partner:** Microsoft // Peggy Johnson, EVP BD
- **Date and Time:** December 13, 2019, 4:15pm PT
- **Objectives:**
  - Communicate Google's plans for supporting MS [REDACTED]
  - Respond to Peggy's request regarding SA360 support for Bing Ads

TOPICS

[REDACTED]

REDACTED

[REDACTED]

2. SA360/GA360 feature parity for Bing Ads

Context:

MS has made two ads-related requests, both with the narrative of achieving "parity" between Google Ads and Bing Ads:

1. Search Ads 360: Achieve Bing Ads feature parity with SA360 (full email here)
2. Google Analytics 360: Share Google Analytics data with Bing Ads

Peggy's email topic request: "Recently, our ads team has been working with your SA360 team on how your advertiser tools support our ad platform. The discussions have hit a wall, unfortunately, and the team has some concerns about how the SA360 team is approaching this support."

History/Background: The Google SA360 team meets with MS approximately every 4-6 months (as we do with a few others) purely as a courtesy. It is an operational meeting to discuss features and changes **on both sides to ensure that changes made by either side do not break the product.** While we do gather feedback in these meetings, Google's decisions on product roadmaps are based strictly on customer requests (we do not know how MS makes decisions related to their product roadmap).

Through the years, MS has made some feature development requests. Recently, MS has become much more demanding in their requests for features in these meetings. MS is now asking for feature parity with Google Ads, and a commitment to deliver support for Bing features within 90 days of a corresponding Google Ads feature. This is not aligned with our product or business goals, and is therefore not something we can commit to. We have communicated to the MS team that our roadmap will be final by the end of the year, and that we will update them in early 2020. We have also repeatedly told MS that we set our product features / priorities strictly based on our customer requests / requirements.

Response to MS: Below is our email to MS in response to their request (sent on Dec 7):

Shirley and team,

Thanks for your email.

As we've mentioned in our prior meetings, SA360 prioritizes feature investments based primarily on feedback from our customers. As a matter of policy we do not make any commitments regarding our roadmap or future investments. We can share our current thinking/roadmap early next year. Note that our roadmap is always subject to change based on an ongoing view of our priorities.

It is important to recognize that Bing advertisers can use Bing's UI for the same features that MS is requesting of SA360. However, we suspect that MS is seeing little advertiser traction / usage of these features on Bing, and hence might be requesting Google to build these features into SA360 with the expectation that their advertisers will use these features via SA360 rather than directly on Bing. The lack of advertiser interest in these features on Bing's UI is also in alignment with feedback from our SA360 customers. [Note: Amazon has replaced Bing as the #2 search site, and we receive many more customer requests to support Amazon than to support Bing.] Google has limited resources, and therefore our guiding principle is that our product roadmap is strictly based on SA360 customer requirements / requests.

We expect MS to raise some concerns when we announce Amalgam next year. Amalgam will ensure that Google Ads features appear in SA360 immediately, which may further increase the feature disparity between Google Ads and Bing Ads. This may trigger allegations that we are using SA360 to increase / maintain spend on Google Search vs 3P engines.

Parity request for GA360: The same MS PM has also requested access to the types of audiences and events that are currently shared between Google Analytics (GA360) and Google Ads, but not with 3P. This request for features / access is similar to the request for SA360. (Note: Peggy's email only referenced SA360, but not GA360).

We plan to decline both the SA360 and GA360 requests for parity / feature development. We will finalize our roadmap by the end of the year, so we will likely not respond to MS until early 2020. We are under no obligation to support MS's ad platform beyond the needs of our existing and prospective SA360 customers (we only need to support our advertising customers).

Talking points:
- A. Listen to Peggy's complaints. See if MS is suggesting a legal threat, or trying to use the escalation to get product concessions. MS's grievance could be due to: 1) unreasonable expectations regarding the purpose of the SA360 roadmap meetings; and/ or 2) frustration that they cannot get acceptance of their asks into the SA360 product roadmap;
  Talking points: Could you clarify the reference from your email that "discussions have hit a wall"?

- B. Buy some time for both sides to assess how this breakdown occurred and how it may be repaired.
  Talking points: Let's both take some time to investigate how this disconnect in expectations occurred after so many years of informational check-ins. Until then, let's ask the teams to pause further product discussions until we can sort the disconnect or correct expectations, since it seems that further emails and discussions are now creating frustration on both sides. We should also determine if these checkins/update meetings are still useful to both parties.

- C. If Peggy makes a friendly request to support MS feature requests
  Talking points: We do listen to all requests, but our product decisions are focused on meeting the needs of our existing and prospective SA360 advertising customers. We update MS about our product plans as a courtesy and to ensure nothing introduced will break the services, but not to drive our product roadmap.

POTENTIAL ADDITIONAL TOPICS FROM MS

REDACTED

REDACTED

---------- Forwarded message ---------
From: **Shirley Heath** <REDACTED microsoft.com>
Date: Tue, Nov 26, 2019 at 4:06 PM
Subject: RE: Microsoft Ads + Search Ads 360 (11/13) meeting follow-up
To: REDACTED google.com REDACTED google.com>, Shirin Eghtesadi REDACTED google.com>, Ryan Krueger <REDACTED google.com>, Amit Varia REDACTED google.com>, Jolyn Yao REDACTED oogle.com>
Cc: Jim La Force REDACTED microsoft.com>, Brian Utter REDACTED microsoft.com>, Eduardo Indacochea <REDACTED microsoft.com>, Piyush Naik REDACTED microsoft.com>, Jason Draime <J REDACTED microsoft.com>

Thanks Jim for the recap. There were a few other things we discussed that I think we all assume as part of the follow up. But I wanted to call them out specifically.

- It is important for our clients that use your platform to have the same level of access to Microsoft Advertising features that they have to Google Ads features. To that end, we asked that for new features that are aligned with Google Ads features, SA360 commit to a defined timeframe for MSA support. Thinking more about this following the meeting, we believe no later than 90 days following Google Ads is reasonable. In addition to support for new features, we ask for commitment to work down the disparity outlined in the table below by also including mutually-agreed items from the backlog into each development cycle.
- We recognize the list below is long so while that is worked, we propose simultaneously to help advertisers by the ability to clone Google Ads campaigns paired with the enablement of a broad 'read' functionality Bashar mentioned. Improving "clone" functionality by taking Microsoft Advertising Import feature. We offered making it as Service or other form.
- You identified a list of "Under Consideration" items and indicated a final decision would be made 1/1 so we look forward to a definitive response on those the first week in January.

Wishing all of you and your families a happy Thanksgiving, and if you are traveling, safe and easy travel.
Shirley

From: Jim La Force <REDACTED nicrosoft.com>
Sent: Friday, November 22, 2019 2:07 PM
To: REDACTED google.com; Shirin Eghtesadi REDACTED google.com>; Ryan Krueger < REDACTED google.com>; Amit Varia <REDACTED google.com>; Jolyn Yao REDACTED google.com>; Brian Utter REDACTED microsoft.com>; Eduardo Indacochea REDACTED microsoft.com>; Shirley Heath REDACTED nicrosoft.com>; Piyush Naik <REDACTED microsoft.com>; Jason Draime <J REDACTED microsoft.com>
Subject: Microsoft Ads + Search Ads 360 (11/13) meeting follow-up

Hi Search Ads 360 team,

Thank you for hosting us last week to review H1 2020 roadmap. I am emailing to follow-up on a few action items that surfaced during this meeting. Please let me know if we missed anything.

In addition, as discussed in the meeting, providing you with a larger list of features that we understand SA360 supports for Google Ads, but not for Microsoft Advertising (**note:** red cell is prioritized list, e.g., Responsive Search Ads). Out of the 54 features listed, 27 are supported for Microsoft Ads (50%). This is our best view based on your public documentation. Please do review and let us know if anything is incorrect.

Action Items:
- **Microsoft Ads & SA360:** Define approach, workstream and owners to kick off test pilot for Floodlight conversion + MS auction-time bid test
  - **11/21:** Ryan and Jim developed a draft approach including initial opt-in messaging, workstreams and owners. We will circulate amongst our respective teams for review in order to finalize.
- **SA360:** Provide Microsoft with data showing that Microsoft SOW isn't negatively impacted when in combined portfolio with Google Ads and Google Ads auction-time bidding is enabled.
- **SA360:** Microsoft requesting SA360 update messaging in SA360 UI related to enabling auction-time bidding. Current message leads advertisers to believe it applies to both engines. "**Enabling Features** – Enable engine bid

strategies to work with this Search Ads 360 bid strategy to improve performance" Below this statement is a check-box with message "Auction-time bidding". There is no mention this applies to only Google Ads.

- **Microsoft Ads:** Provide SA360 with our timing for support of impression share bidding.
- **Microsoft Ads:** Deliver on parallel tracking crawl report, still targeting March 2020.

Larger Feature Parity List:

Ad Campaigns (Search campaign with text ads)	Yes	Yes
Shopping Campaigns	Yes	Yes
Shopping Campaigns - Local Inventory Ads	No	Yes
Multiplicative Bid Adjustments	No	Yes
Campaign-Specific Timezones	No	Yes
Shared Budgets	No	Yes
Daily Budget	Yes	Yes
Network Selection	No	Yes
Search & Content Bid Match	Yes	Yes
Ad Rotation	Yes	Yes
Start and End Dates	Yes	Yes
Expanded Text Ads	Yes	Yes
Text Parameters	Yes	Yes
Dynamic Search Ads	Partial	Yes
Product Ads from Shopping Campaigns	Yes	Yes

Responsive Search Ads	No	Yes
Ad Countdowns	Yes	Yes
Ad Copy Testing	Yes	Yes
A/B landing Page Testing	Yes	Yes
Ad Customizers	No	Yes
Dynamic Keyword Insertion	No	Yes
Negative Keywords	Yes	Yes
Match Type	Yes	Yes
Max CPC	Yes	Yes
Landing Page URL	Yes	Yes
Device Type Bid Adjustment	Yes	Yes
Enhanced CPC	No	Yes
Max Clicks	No	Yes
Max Conversions	No	Yes
Target CPA	No	Yes
Target ROAS	No	Yes
Auction Time Bidding	No	Yes
Conversion Sharing	No	Yes
Tracking Templates	Yes	Yes

Custom Parameters	No	Yes
Device-Specific Landing Pages	Yes	Yes
Parallel Tracking	Yes	Yes
Geographic Targeting and Bid Adjustment	Yes	Yes
Language Targeting	Yes	Yes
Device Targeting and Bid Adjustment	Yes	Yes
Radius Targeting	No	Yes
Location Search Specific Targeting	No	Yes
Remarketing Lists	Yes	Yes
Website Exclusion	No	Yes
Search, Search Partners, Display Network Targeting	No	Yes
DSA Page Feed	No	Yes
Account Level Sitelink Extensions	Yes	Yes
App Extensions	No	Yes
Callout Extensions	No	Yes
Call Extentions	No	Yes
Location Extensions	No	Yes
Clicks/Cost/Impressions	Yes	Yes
Impression Share	Yes	Yes

Labels	No	Yes