Microsoft Advertising AI bidding upgrade: Target ROAS, Target CPA and what to change

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Short answer: the Microsoft Advertising AI bidding upgrade is a rebuild of its automated bidding models, announced on 18 November 2026 and described by Microsoft as its biggest bidding model upgrade in a decade. Microsoft reports 10% more conversion value per click at a similar return on ad spend for campaigns using Maximize Conversion Value or Target ROAS, and bids that adjust nearly twice as fast after a target change. These are the platform's own figures, so verify them on your account.

TL;DR The short version

- Microsoft Advertising announced on 18 November 2026 what it calls its biggest bidding model upgrade in a decade.
- Microsoft reports 10% more conversion value per click at similar ROAS for Maximize Conversion Value and Target ROAS, and bids that adjust nearly twice as fast after a target change.
- These are the platform's own figures, so compare before and after on your own account and change targets gradually.

Read online, listen to it, or change the text size: https://blogs.iictp.org/microsoft-advertising-ai-bidding-upgrade-target-roas-explained

What changed in Microsoft Advertising bidding?

In the post, Carlo Buchmann says the prediction model behind every bid, which estimates whether a click will become a sale and what it is worth, was rebuilt with new user signals and a new way of valuing conversions. Improvements are rolling out automatically, with further stages planned for 2027.

How automated bidding works here

Automated bid strategies set each bid from predictions and your goal, either a cost per acquisition (CPA) or a return on ad spend (ROAS). They optimise toward the conversions you send, so the quality of conversion tracking limits the quality of bidding. Microsoft recommends its Universal Event Tracking tag, with a Conversions API and offline imports to extend coverage.

What is new compared with the previous models

- More consistent delivery against CPA and ROAS targets, according to Microsoft, without giving up conversion volume or value.

- Faster response when you change a target.
- More even daily budget pacing and quicker ramp to full budget.
- Campaigns can still beat their efficiency targets even when limited by budget, which Microsoft contrasts with other platforms.

Results reported by the source

- 10% more conversion value per click on average at similar ROAS for Maximize Conversion Value or Target ROAS.
- 8% more conversion value on average, at similar ROAS, for Search campaigns that switch from Target CPA to Target ROAS.
- 18% more conversions at similar cost per action for advertisers moving from enhanced cost per click to Maximize Conversions with a CPA target.
- All three are Microsoft’s averages. Your result can differ in direction as well as size.

Limitations and open questions

- The post summarises averages and does not let you reproduce the sample or test design from the text.
- Advertisers who switched strategies may differ from those who did not, so the switch figures are not a controlled promise.
- The rollout is staged, so two accounts may not be on the same models at the same time. Sources were read on 26 November 2026. Products, rules and standards change, so check the linked originals before you rely on any detail.

How to adjust your account

1. Audit conversion tracking first: duplicates, missing values and delayed offline imports.
2. Where you have purchase revenue, send real transaction values and consider a value-based strategy.
3. Microsoft suggests a conversion-based strategy for new campaigns once the account has at least five conversions, and enhanced cost per click before that.
4. Change targets in steps of about 15% if you want to limit volatility, and review after one conversion cycle.
5. Remove Maximum CPC caps, which Microsoft says conflict with CPA and ROAS targets.
6. Judge results at campaign or portfolio level, ideally with 30 conversions in 30 days and one to two conversion cycles after major changes.

What it means for paid media teams

Record a baseline now, because automatic rollouts remove a clean before-and-after line. Where traffic allows, use a campaign experiment and keep conversion goals unchanged during it. New campaigns, strategy switches and adding or removing conversion goals are the changes Microsoft says tend to cause volatility, so avoid stacking them.

Frequently asked questions

- **What is Microsoft Advertising AI bidding?** Automated bid strategies that predict conversion likelihood and value to meet CPA or ROAS goals.
- **Do I need to opt in to the upgrade?** Microsoft says improvements roll out automatically to more accounts over time.
- **Should I switch from Target CPA to Target ROAS?** Microsoft reports higher value for switchers on average; test it where you pass reliable revenue values.
- **How long should I wait before judging performance?** The post suggests enough conversions, ideally 30 in 30 days, and one to two conversion cycles.

Related reading

- Google Ads A/B testing experiments
- Demand Gen feeds and seasonality adjustments
- Google Ads invalid traffic overview
- AI Practitioner certification

Related credential: AI Practitioner. Explore the exam facts and syllabus.

Sources and further reading

1. Carlo Buchmann, Microsoft Advertising. Building the next generation of automated bidding at Microsoft Advertising. 18 November 2026. about.ads.microsoft.com/en/blog/post/november-2026/building-the-next-generation-of-automated-bidding-at-microsoft-advertising

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