

EXHIBIT C

About budgeting

Before you can submit your ad campaign, you must set a campaign budget amount and select a budget option. You can change the budget amount or budget option any time you want to.

Setting a budget amount

The budget amount covers *all* of the ad groups in a campaign.

When you enter a budget amount, you do not need to specify a currency or type a currency symbol. Microsoft adCenter uses your billing country or region to determine the default currency.

Selecting a budget option

You have several budget options, which provide you with flexibility and control over how your budget gets allocated across the month:

- **Daily budget.** With the budget per day option, you set the maximum you want to spend on a daily basis, in addition to a monthly budget. Please note that the daily budget is a target. The actual daily spend could be higher or lower than the daily budget, but the monthly spend will not exceed the monthly budget you set.
If you want to make regular changes to your budget, for example, to adjust for increased demand during a promotion, select the daily budget option.
- **Monthly budget.** If you don't anticipate changing your budget often, select the monthly budget option. With the monthly budget, you have two choices for how it gets spent:
 - **Divide budget across month.** Use this option if you want to distribute a tight budget over an entire month or if you don't want to monitor your account regularly.
 - **Spend budget until depleted.** Use this option if you want to maximize impressions and you are monitoring your campaign throughout the month.

About the estimated spend

When you are setting a budget for a new campaign, you'll see an estimated spend value. The estimated spend is a calculation of how much your campaign could cost per month if you were able to set an unlimited budget. *However, the budget amount you set is what determines how much you will actually spend.*

Microsoft adCenter uses the following factors to calculate the estimated spend:

- The keywords in your ad group
- The bids you set for those keywords
- The estimated number of clicks
- The estimated average cost per click

As you change your bids or the keywords in your campaign, the estimated spend changes. For example, if you increase the keyword bid amount, the average position of your ads could increase, which in turn could increase the number of impressions, the click-through rate (CTR), and the number of clicks. As a result, the estimated spend value would also increase.

You can use the estimated spend as a factor in determining where to set your budget and how to allocate your budget among several campaigns. For example, if one of your campaigns has an estimated spend of \$200, you might not want to set your monthly budget at \$300, which would be \$100 over the spend. It might be better to allocate that extra \$100 to a different campaign where your current budget is less than the estimated spend for that campaign.

If actual spend reaches your budget limit

For information about the effects of budget on ad display, see [How campaign budget limits affect ad display](#).

Related topics

[Set a campaign budget](#)

[Create a campaign](#)

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