



For Immediate Release

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**National Advertising Division Finds Certain Microsoft Copilot Claims Supported;
Recommends Others be Modified or Discontinued**

New York, NY – June 9, 2025 – As part of its routine marketplace monitoring program, BBB National Programs' National Advertising Division found that Microsoft Corporation supported certain express functionality claims for Microsoft 365 Copilot but recommended that certain productivity claims and certain claims related to Business Chat be modified or discontinued.

The National Advertising Division (NAD) reviewed express and implied claims made by Microsoft on its website for its Microsoft 365 Copilot AI-powered digital assistant product. Launched for its enterprise customers in November 2023, the Copilot name is used across all Microsoft 365 suite applications, including Word, Excel, PowerPoint, Outlook, Teams, and Business Chat.

Generating, Summarizing, and Rewriting from Files

NAD examined several claims made throughout Microsoft's website about Copilot's capabilities to generate, summarize, and rewrite from files, including its capacity to "synthesize and summarize large amounts of data," to brainstorm and draft content in Business Chat, and to draft outlines for PowerPoint presentations.

In the context in which these claims are made, NAD determined that these claims convey the message that Copilot works seamlessly with all user files and can generate content, rewrite documents, generate summaries, or create PowerPoint presentations from a user's files with no material limitations on file type, size, length, or the number of files to which a user can refer and link.

NAD found that Microsoft provided reasonable support for the express claims about how Copilot can summarize and draft new content sufficient to demonstrate that they are substantiated. Although limitations on Copilot's functionality were not disclosed directly in the claims, NAD determined the limitations did not impact how consumers use Copilot.

Use Across Apps and Business Chat

NAD reviewed Microsoft's claims that Copilot can assist users with "[g]et[ting] up to speed in less time" by "working seamlessly across all your data" and that Business Chat "helps you ground your prompts in work and web data in the flow of work."

NAD determined that one message reasonably conveyed by the use of the terms “seamlessly” and “in the flow of work” was that actions across apps are uninterrupted or continuous, with less manual steps required.

NAD examined whether consumers understood the differences in functionality, specifically as it relates to Business Chat. NAD concluded, based on the context of the claims and universal use of the product description as “Copilot,” that consumers would not necessarily understand the differences.

Microsoft provided evidence demonstrating that Copilot helps users “get up to speed in less time,” “carry out specific goals and tasks” in Word and other apps, and “ground... prompts in work and web data.” However, Business Chat cannot generate a document in other applications as manual steps are required for Business Chat to produce the same results as Copilot in a specific Microsoft 365 app.

NAD recommended that Microsoft modify its advertising to clearly and conspicuously disclose any material limitations related to how Business Chat assists users.

Productivity and ROI

NAD reviewed Microsoft’s claims about Copilot’s productivity and ROI benefits, including that “67%, 70%, and 75% of users say they are more productive” after 6, 10, and over 10 weeks based on the Copilot Usage in the Workplace Study showing perceived productivity gains over time.

NAD found that although the study demonstrates a perception of productivity, it does not provide a good fit for the objective claim at issue. As a result, NAD recommended the claim be discontinued or modified to disclose the basis for the claim.

During the inquiry, Microsoft informed NAD that in the ordinary course of business it had permanently discontinued certain productivity claims. Therefore, NAD did not review the claims on their merits and will treat the discontinued claims, for compliance purposes, as though NAD recommended they be discontinued.

In its advertiser’s statement, Microsoft stated that “although we disagree with NAD’s conclusions” about certain elements of the decision, Microsoft “appreciates the opportunity to participate in this proceeding and will follow NAD’s recommendations for clarifying its claims.”

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About the National Advertising Division: The National Advertising Division (NAD) of BBB National Programs provides independent self-regulation and dispute resolution services, guiding the truthfulness of advertising across the U.S. NAD reviews national advertising in all media and its decisions set consistent standards for advertising truth and accuracy, delivering meaningful protection to consumers and create fair competition for business.

Case #7390 (05/30/2025)

Microsoft Corporation

Microsoft 365 Copilot

Challenger: *National Advertising Division*

Product Type: *Computers/Software/Peripherals*

Issues: *Disclosure; Implied Claims / Consumer Perception; Product Performance; Quantified Claims*

Disposition: *Substantiated In Part / Modified-Discontinued In Part*

BBB NATIONAL PROGRAMS

NATIONAL ADVERTISING DIVISION

National Advertising Division,
Challenger,

Microsoft Corporation,
Advertiser.

Case No. 7390

Closed 05/30/2025

FINAL DECISION

- **While a company can advertise its technological advances and innovation, those claims must be truthful, accurate, and not misleading.**
- **Companies have a unique opportunity in the artificial intelligence (“AI”) space to educate and explain to consumers how their technologies work and should be encouraged to do so in a truthful and accurate way.**

I. Basis of Inquiry

The advertising industry established the National Advertising Division (“NAD”) and the National Advertising Review Board (“NARB”) in 1971 as an independent system of self-regulation designed to build consumer trust in advertising. NAD reviews national advertising in all media in response to third-party challenges or through inquiries opened on its own initiative. Its decisions set consistent standards for advertising truth and accuracy, delivering meaningful protection to consumers and leveling the playing field for business. As part of its routine, ongoing monitoring program, NAD inquired about certain express and implied claims made by Microsoft Corporation (“Microsoft” or “Advertiser”) for its Microsoft 365 Copilot AI-powered digital assistant product (“Copilot”). The following are representative of the claims that served as the basis for this inquiry:

A. Express Claims

- *Generating, Summarizing, and Rewriting from Files*
 - Copilot can synthesize and summarize large amounts of data into simple, easy-to-digest summaries.
 - Business Chat (BizChat) enables you to brainstorm ideas and draft new content based on anything from a storyboard or a script to an agenda or an executive summary. Just reference your source material in your prompt to get started.
 - Rewrite existing content and adjust the tone of rewritten suggestions.

- Turn 150 pages into a 5 minute presentation.
- *Use Across Apps and Business Chat*
 - Get up to speed in less time with cross-application intelligence working seamlessly across all your data.
 - Microsoft 365 Copilot in Word and other apps will help you carry out specific goals and tasks. For example, Copilot in Word will help you create drafts, summarize a document, and more. Business Chat within Microsoft 365 Copilot helps you ground your prompts in work and web data in the flow of work.
- *Productivity and ROI*
 - Over the course of 6, 10, and more than 10 weeks, 67%, 70%, and 75% of users say they are more productive.
 - Completing everyday tasks 29% faster.
 - Writing a first draft 43% faster.
 - Daily Time Saved: 420 hours.
 - 71% of users say Copilot saves them time on mundane tasks.
 - 112% to 457% projected ROI using Copilot for 3 years.

B. *Implied Claims*

- *Generating, Summarizing, and Rewriting from Files*
 - Microsoft 365 Copilot works seamlessly with all user files with no material limitations on file type, size, length or the number of files a user can pull from.
 - Microsoft 365 Copilot can generate content, rewrite documents, generate summaries, or create PowerPoint presentations from a user's files and there are no material limitations on file type, size, length, or number of files a user can pull from.
 - A user can generate content from all files easily without manually linking to each file or using additional tools or licenses.
- *Use Across Apps and Business Chat*
 - Copilot works equally well in all Microsoft Office apps and a user can move between Microsoft Office apps and Business Chat easily and without restriction.
 - Business Chat can do everything that Copilot can do in each Microsoft Office app, including creating any desired content, such as a PowerPoint presentation.
 - A prompt will work equally well in every Microsoft Office app and in Business Chat.
- *Productivity and ROI*
 - Copilot can be used with little time spent learning.
 - Copilot makes it faster to get your work done.
 - Copilot will enable a company to save money.

Discontinued Claims:

- Completing everyday tasks 29% faster.
- Writing a first draft 43% faster.
- Daily Time Saved: 420 hours.
- 71% of users say Copilot saves them time on mundane tasks.
- 112% to 457% projected ROI using Copilot for 3 years.

II. Evidence Presented

As support for the claims NAD inquired about, Microsoft submitted:

- Demonstrations of product capabilities
- References to technical support pages and press releases
- Internal metrics on customer feedback and diagnostic events
- Studies evaluating productivity and return on investment

III. Decision

A. Standard of Review

Advertisers must possess a “reasonable basis” for claims disseminated in advertising.¹ What constitutes a “reasonable basis” depends on several factors, including the type of product, the type of claim, the consumer benefit from a truthful claim, the ease of developing substantiation for the claim, the consequences of a false claim, and the amount of substantiation experts in the field believe is reasonable.²

As more companies seek to improve their product offerings by adding AI components, often as a separate license at an added cost, it is important that consumers and businesses receive truthful and non-misleading information to help them evaluate and purchase the technology they need. NAD has long held that while a company can advertise its technological advances and innovation, those claims must be truthful, accurate, and not misleading.³ In the rapidly evolving AI marketplace, where consumers may not be able to evaluate the basis of claims for themselves, access to truthful and non-misleading advertising from companies becomes even more essential.⁴ When promoting complex features of new technologies, it is important that companies do not overstate benefits,⁵ including the benefits of the new technology. Indeed, companies have a unique opportunity in the AI space to

¹ *Guardian Technologies, LLC (GermGuardian and PureGuardian Air Purifiers and Replacement Filters)*, Report #6319, NAD/CARU Case Reports (November 2019).

² *Pfizer Inc.*, 81 F.T.C. 23 (1972). See also FTC, *Policy Statement Regarding Advertising Substantiation* (Nov. 23, 1984), <https://www.ftc.gov/public-statements/1984/11/ftc-policy-statement-regarding-advertising-substantiation>.

³ *ecobee Inc. (Smart Thermostats)*, Report #6126, NAD/CARU Case Reports (October 2017).

⁴ See *Google, LLC (Google Gemini)*, Report #7295, NAD/CARU Case Reports (September 2024) (“In the emerging ‘AI era’ technology is improving rapidly and the promotion of the technology changes just as quickly. It is crucial that consumers—including both end-users and sophisticated developers—receive truthful and accurate information concerning this technology.”); see also *In re DoNotPay, Inc.*, Decision and Order, Docket No. C-4812 (January 14, 2025).

⁵ See *JBS USA Holdings, Inc. (Net Zero 2040)*, Report #7135, NAD/CARU Case Reports (February 2023) (“Consumers... can be misled by advertisers due to the complex nature of environmental benefit claims, ambiguous terms, and less than expert environmental knowledge.”); *ViewSonic Corporation (1-chip DLP Projectors)*, Report #6087, NAD/CARU Case Reports (June 2017) (“It is also important that when faced with a product category that features a range of competing and changing technologies, consumers are able to clearly understand the benefits each product and their associated innovations provides... [and that] that advertisers not overstate the benefits of its features”).

educate and explain to consumers how new technologies work and should be encouraged to do so in a truthful and accurate way.⁶

When reviewing advertising, NAD considers the sophistication of the target audience and whether that audience will take away different messages than would ordinary consumers, while also recognizing that even a sophisticated purchasing audience (e.g., other businesses) is entitled to truthful and accurate messages about advertised products.⁷ Even for a sophisticated audience, supplemental information provided through the sales process cannot correct false or misleading claims made in advertising.⁸

When evaluating testing for product claims, NAD looks to the industry standard test methodology and whether the testing conditions are consistent with ordinary consumer use.⁹ Although industry standard tests are preferable, NAD recognizes that standard tests may not always be available when dealing with emerging technologies and NAD has accepted proprietary test results under certain conditions.¹⁰ It is well-established that advertising claim substantiation evidence is not required to be perfect.¹¹ Nonetheless, the test results must be a good fit¹² and the nature and extent of the claims in question, particularly quantified claims, should mirror the precision and specificity of the data used to substantiate them.¹³ Advertisers should be cautious not to overstate product benefits, even when a general claim may be supported.¹⁴ When used to support advertising claims, surveys, perception studies, and testing should be well-designed, valid, and reliable.¹⁵ Claims can convey both subjective

⁶ See *American Dryer, Inc. (ExtremeAir CPC Commercial Jet Air Hand Dryers)*, Report #5916, NAD/CARU Case Reports (January 2016) (“While manufacturers should certainly be permitted, and even encouraged, to educate consumers about their product innovations, it is equally important that such claims be truthful, accurate and not misleading.”).

⁷ See *Bausch & Lomb Incorporated (ULTRA Contact Lenses with MoistureSeal Technology)*, Report #5944, NAD/CARU Case Reports (April 2016); *Oracle Corporation (9i Collaboration Suite)*, Report #4117, NAD/CARU Reports (November 2003).

⁸ See *Oracle Corporation (9i Collaboration Suite)*, *supra* note 7 (“an advertisement that is ambiguous and/or inaccurate on its face cannot be cured by supplemental information supplied by an advertiser down the road”).

⁹ *The Procter & Gamble Company (Tide Pods)*, Report #6270, NAD/CARU Case Reports (April 2019); see also *One Home Brands, Inc. d/b/a Blueland (Blueland Cleaning Products)*, Report #6416, NAD/CARU Case Reports (September 2020) (“In order to produce meaningful results for the purposes of claim support, product testing should be conducted under consumer relevant conditions, using accepted methodology and protocols, and should relate directly to the advertising claims.”).

¹⁰ *Diversey, Inc. (Cryovac Reusable Storage Bags)*, Report #6179, NAD/CARU Case Reports (April 2018).

¹¹ *Id.*

¹² *Id.*; see also *The Procter & Gamble Company (Tide Pods)*, *supra* note 9.

¹³ *Honeywell International, Inc. (Programmable Thermostats)*, Report #5646, NAD/CARU Reports (October 2013); *Oracle Corporation (Oracle’s SPARC SuperCluster T-4-4 Integrated System)*, Report #5442, NAD/CARU Case Reports (March 2010); *Apple, Inc. (Power Mac G5)*, Report #4155, NAD/CARU Case Reports (March 2004).

¹⁴ *LEI Electronics Inc. (Eco Alkalines Batteries)*, Report # 5927, NAD/CARU Case Reports (February 2016); *Energizer Personal Care, LLC (Schick® Hydro Razor)*, Report #5287, NAD/CARU Case Reports (February 2011); *Scotts Miracle-Gro Company (Scotts Turf Builder Water Smart Formula)*, Reports # 5002 & 5003, NAD/CARU Case Reports (April 2009).

¹⁵ *Walker & Company Brands, Inc. (Bevel® Shaving System)*, Report #5964, NAD/CARU Case Reports (June 2016); *Tennant Company (Floor Cleaning Technology (ec-H20))*, Report #5438, NAD/CARU Case Reports (March 2012).

and objective results, and when a claim conveys a message about both results, objective testing is appropriate.¹⁶

While disclosures can be used to add qualifying information to a claim, it is well settled that disclosures must be clear and conspicuous and cannot contradict the main message of the claim.¹⁷

In reviewing advertising messages, NAD reviews the overall net impression created by the advertisement.¹⁸ An advertiser is responsible for substantiating all messages reasonably conveyed by their advertising, not just those they intended to convey.¹⁹ In the absence of reliable consumer perception evidence, NAD uses its own expertise to step into the shoes of the consumer to determine the messages reasonably conveyed by the advertising reviewed.²⁰ Any claim found to be implied by NAD need not be the *only* message conveyed by an advertisement, it need only be *one* of the reasonable messages conveyed by an advertisement.²¹ NAD has also long held that literally truthful claims may, in the context in which they are presented, still convey a message that is false or misleading.²²

B. Messages Conveyed & Analysis

1. Factual Background

Microsoft launched Copilot for its enterprise customers in November 2023. Copilot is a digital assistant powered by generative AI, and the name is used across all Microsoft applications, including Word, Excel, PowerPoint, Outlook, Teams, and Business Chat. While most of these applications are known to consumers as part of the Microsoft Office suite, Business Chat²³ is a text-based chatbot-like experience that users can interact with to access their internal company work data or the web. While Business Chat can perform some of the same tasks that Microsoft applications, like Word, can perform, its responses are limited to text. For example, Business Chat can summarize a document or draft an executive summary similar to Copilot's functionality in Word, but, unlike Copilot in Word, it cannot create a Word document – the content must be manually copied and pasted into Word. The same applies to how Business Chat interacts with other applications, such as Outlook and PowerPoint.

¹⁶ *Abbott Nutrition (Ensure Nutrition Products)*; Report #6195, NAD/CARU Case Reports (June 2018); *Solawave Inc. d/b/a SolaWave (SolaWave Advanced Skin Care Wand)*, Report #7206, NAD/CARU Case Reports (December 2024) (“an IHUT reporting on the subjective evaluations of users alone would likely be insufficient to support such objective performance claims”).

¹⁷ *4Patriots LLC (Long-Term Survival Food Kits)*, Report #7033, NAD/CARU Case Reports (January 2022).

¹⁸ *Id.*

¹⁹ *Georgia-Pacific Consumer Products LP (Quilted Northern Ultra Soft & Strong Bathroom Tissue)*, Report #7018, NAD/CARU Case Reports (September 2021); *see also The Procter & Gamble Company (Tide Pods)*, *supra* note 9.

²⁰ *See Georgia-Pacific Consumer Products LP (Quilted Northern Ultra Soft & Strong Bathroom Tissue, id.*

²¹ *Lenovo (United States), Inc. (Personal Computers)*, Report #4820, NAD/CARU Case Reports (March 2008).

²² *See One Home Brands, Inc. d/b/a Blueland (Blueland Cleaning Products)*, *supra* note 9; *Abbott Nutrition (Ensure Nutrition Products)*, *supra* note 16.

²³ Business Chat is now referred to as Microsoft 365 Copilot Chat. Given the claims NAD inquired about reference “Business Chat,” we will continue to use that name here.

Microsoft explained that the primary audience for the claims identified in this inquiry are IT decisionmakers, as well as business decisionmakers. Microsoft explained that Microsoft 365 Copilot is sold as an add-on to an existing Microsoft 365 offering, which means that most customers already have an existing relationship with Microsoft. According to Microsoft, customers are therefore able to ask their sales or account manager questions over the course of the sales process (typically around 9 months) and would be familiar with Microsoft's support content.

NAD considered both the location of Microsoft's claims – on a general audience website available to the public – and the sophistication of the audience viewing Microsoft's claims. NAD found that the target audience of these website claims includes both IT professionals and non-technical business consumers.²⁴ While a sales process directed towards IT professionals may provide additional information, it cannot correct any false or misleading statements made publicly available in advertising designed to entice business consumers to purchase a product.

2. *Generating, Summarizing, and Rewriting from Files*

NAD examined several claims made throughout Microsoft's website about the capabilities of Copilot for generating, summarizing and rewriting from files. For example, Microsoft states that Copilot "can synthesize and summarize large amounts of data into simple, easy-to-digest summaries" and that "Business Chat (BizChat) enables you to brainstorm ideas and draft new content" and all you need to do is "reference your source material in your prompt to get started."²⁵ Microsoft also makes claims about Copilot's ability to rewrite content and draft outlines for PowerPoint presentations.²⁶ NAD found that the language used in these express claims, such as "large amounts of data" and "reference your source material," is not qualified and does not communicate that there are any limits on what files or sources of data Copilot would rely on in response to a user prompt. In the context in which these claims are made, NAD determined that these claims convey the message that Copilot works seamlessly with all user files – and can generate content, rewrite documents, generate summaries, or create PowerPoint presentations from a user's files – with no material limitations on file type, size, length or the number of files a user can pull from.

In support of these claims, Microsoft provided NAD with product demonstrations showing how Copilot can: (1) summarize, and even compare, large documents; (2) generate emails, agendas, and storyboard outlines; (3) create images; (4) help brainstorm ideas; (5) rewrite content; and (6) draft an outline for a PowerPoint presentation.

²⁴ *Oracle Corporation (Oracle's SPARC SuperCluster T-4-4 Integrated System)*, *supra* note 13.

²⁵ The claims reviewed in this inquiry were often found on online support pages, which fall under the broad definition on national advertising that can be reviewed by NAD since such support pages were part of Microsoft's website, where a Copilot license was offered for sale. See NAD/NARB Procedures, Section 1.1 (Advertising includes "any paid commercial message, in any medium . . . if it has the purpose of inducing a sale or other commercial transaction or persuading the audience of the value or usefulness of a company, product or service"); *Brammo Motorsports, LLC (Enertia Electric Motorcycle)*, Report #4828, NAD/CARU Case Reports (April 2008) (NAD exercising jurisdiction because, in part, the "website...is intended to encourage the purchase of the advertiser's product.")

²⁶ During the pendency of the inquiry, Microsoft represented to NAD that in the ordinary course of business it had discontinued the specific claims "Rewrite existing content and adjust the tone of rewritten suggestions" and "Turn 150 pages into a 5 minute presentation" but continues to make similar claims about Copilot's capabilities.

NAD found that Microsoft provided reasonable support for the express claims about how Copilot can summarize and draft new content sufficient to demonstrate that they are substantiated.

Next, NAD turned to whether the implied claims that Copilot works with files and can generate content with no material limitations on file type, size, length or the number of files a user can pull from are supported.

First, Microsoft argues that the language of the express claim specifically identifies limits on the amount of data that can be summarized – referencing “large amounts” but not unlimited amounts of data – and that additional language on the same page further explains the scope of what Copilot can do and limits the reasonable interpretation of these claims. Next, Microsoft references specific support pages that it argues further explain to users that there are limits on the size of documents that Copilot can read; specifically, limits of 80,000 words or fewer (about 60 pages) for summarization and 3,000 words or fewer (about 10 pages) for rewriting. In addition, Microsoft also lists, on another support page, the file types and number of files to which Copilot can refer and link. NAD noted that these support pages are not linked to the identified claims and are not clear or conspicuous disclosures. Microsoft also explained that Copilot allows users to create a document without linking to files, but linking to files can produce a better result. Absent a link to a specific file, Copilot can determine the best source of material.

Information provided on Microsoft’s website and support pages acknowledges the limitations on file size and length, file type, and the number of files that a user can reference. However, Microsoft argues that these limitations are not material to the average user and do not require further disclosure on the pages with the above express claims. In support of this argument, Microsoft provided (1) customer feedback on reported bugs or failures on expected functionality and requests for new features; and (2) analysis of diagnostic events²⁷ on failed file uploads or truncated results when grounding in a file because the file exceeded system limits.²⁸

Microsoft’s internal data on customer feedback for small, medium and larger customers demonstrated that an immaterial number of customers complained or requested new features related to file size or number of files that can be linked to. Further, Microsoft’s diagnostic data showed a very small number of failed or truncated responses, showing that end-users are not typically using Copilot to create content from files exceeding Copilot’s size limitations.

Based on the evidence provided by Microsoft, NAD noted that despite the fact that the claims did not communicate the limitations on the functionality of Copilot, the limitations did not impact how consumers use Copilot.

3. Use Across Apps and Business Chat

Microsoft also makes claims that Copilot can assist users with “Get[ting] up to speed in less time” by “working seamlessly across all your data” and that Business Chat “helps you ground your prompts in

²⁷ Collected from end-user activity during a typical work week.

²⁸ Microsoft also detailed its guided sales process, arguing that customers review these support pages as part of that process and can ask questions throughout. NAD did not need to review this sales process to come to its conclusion but notes that a sales process cannot correct a misleading claim that draws customers into that process.

work and web data in the flow of work.” NAD examined whether the use of broad terms like “seamlessly” and “in the flow of work” implied an ease of use across applications, including between Microsoft Office apps and Business Chat. NAD also reviewed whether these claims communicate that Copilot, and the prompts used, works equally well in each application and whether, specifically, these claims conveyed the message that Business Chat could complete the same tasks as could be completed in the Microsoft Office apps. Given the context in which these claims are made, NAD determined that one message reasonably conveyed by the use of the terms “seamlessly”²⁹ and “in the flow of work”³⁰ was that actions across apps are uninterrupted or continuous, with less manual steps required.

In support of these claims, Microsoft provided NAD with product demonstrations showing how Copilot can access information from files in different apps, such as Teams and Word, in Business Chat. Microsoft’s product demonstrations also showed how Business Chat can be used to draft emails and presentations in text in Business Chat, which then can be copied and pasted into the appropriate application. Microsoft’s limited customer feedback does not indicate any confusion between Business Chat and Copilot in the Office apps.

Microsoft uses the name “Copilot” across all applications, including Business Chat. Business Chat can work with internal company work data and web data and is a text-based “chatbot” designed to assist users in completing certain tasks in one place. Copilot also assists with specific functions in each Microsoft Office app. For example, Copilot in Word can create a Word document and in PowerPoint can create slides. In contrast, Business Chat can only create text-based responses. For Copilot in Business Chat to achieve the same functionality as Copilot in Word or PowerPoint, the text-based responses from Business Chat would have to be manually copied and pasted into the relevant application.

NAD examined whether consumers understood the differences in functionality, specifically as it relates to Business Chat. NAD concluded, based on the context of the claims and universal use of the product description as “Copilot,” that consumers would not necessarily understand the differences.

The evidence that Microsoft provided demonstrates that Copilot helps users “get up to speed in less time,” “carry out specific goals and tasks” in Word and other apps, and “ground... prompts in work and web data.” However, Business Chat cannot generate a document in other applications. Instead, manual steps are required for Business Chat to produce the same results as Copilot in a specific Microsoft Office app. Yet, Microsoft uses the same name and broad terms such as “seamlessly” and “in the flow of work” that implies an ease of use across apps. NAD recommended that Microsoft modify its advertising to clearly and conspicuously disclose any material limitations related to how Business Chat assists users.

²⁹ “Seamlessly” is defined as “without any sudden changes, interruptions, or problems.” <https://dictionary.cambridge.org/us/dictionary/english/seamlessly> (last visited April 17, 2025).

³⁰ “Flow” is defined as “a situation in which something is produced or moved continuously.” <https://dictionary.cambridge.org/us/dictionary/english/flow> (last visited April 17, 2025).

4. *Productivity and ROI*

NAD examined Microsoft's claims about the productivity and return on investment benefits that companies and users can expect from their use of Copilot. These claims are made throughout Microsoft's website on pages touting the features, benefits, and ways to access Copilot.

During the course of NAD's inquiry, Microsoft advised NAD that in the ordinary course of business it had removed the following claims from its website and will be permanently discontinuing them: (1) "Completing everyday tasks 29% faster"; (2) "Writing a first draft 43% faster"; (3) "Daily Time Saved: 420 hours"; (4) "71% of users say Copilot saves them time on mundane tasks"; and (5) "112% to 457% projected ROI using Copilot for 3 years." In reliance on the Advertiser's representation that these claims have been permanently discontinued, NAD did not review these claims on their merits. The voluntarily discontinued claims will be treated, for compliance purposes, as though NAD recommended their discontinuance and the Advertiser agreed to comply.

NAD reviewed the claim that "Over the course of 6, 10, and more than 10 weeks, 67%, 70%, and 75% of users say they are more productive." This claim appears on Microsoft's website, as part of an article on AI adoption and time savings.³¹ To support this claim, Microsoft relies on the Copilot Usage in the Workplace Study, a study of 885 enterprise Copilot users who used Copilot for: 3-6 weeks, 7-10 weeks, and more than 10 weeks. The study employed a 5-point Likert scale where 1 represents "Strongly Disagree" and 5 represents "Strongly Agree." Respondents were asked about perceived benefits and time savings. The study results showed that 67%, 70%, and 75% of users say they are more productive over the course of 6, 10, and more than 10 weeks, respectively. The study also showed that respondents who used Copilot for more than 10 weeks reported greater benefits than those who used Copilot for a shorter time period.

The summary of the survey indicates that users were asked about subjective experiences of *perceived*, not actual, productivity benefits. Microsoft argued that users must perceive a benefit in order to actually use the tool and benefit from it. NAD notes that since people are generally aware that one purpose of Copilot is as a productivity tool, consumer responses may be biased because of how they perceive AI and Copilot.³² NAD found that although the study demonstrates a perception of productivity, it does not provide support for the objective claim that "Over the course of 6, 10, and more than 10 weeks, 67%, 70%, and 75% of users say they are more productive."

NAD found that the use of the word "say" in the challenged claim to indicate that the claim reflects consumer perception does not overcome the objective nature of the claim itself which represents specific time frames and specific percentages. NAD determined that the subjective survey does not provide a good fit for an objective claim. NAD recommended that Microsoft discontinue the claim or modify its advertising to disclose the basis for the claim.

IV. Conclusion

NAD acknowledges Microsoft's engagement during the proceedings and commitment to better educate consumers and promote transparency in its advertising. Based on the evidence Microsoft provided, NAD found that Microsoft provided reasonable support for the express claims about how

³¹ <https://www.microsoft.com/en-us/worklab/ai-data-drop-the-11-by-11-tipping-point> (last visited May 19, 2025)

³² *Abbott Nutrition (Ensure Nutrition Products)*, *supra* note 16.

Copilot can summarize and draft new content sufficient to demonstrate that they are substantiated. Based on the evidence provided by Microsoft, NAD determined that while the claims did not communicate the limitations on the functionality of Copilot, the limitations did not impact how consumers use Copilot.

As to the claims that Copilot can assist users by “working seamlessly across all your data” and that Business Chat helps users “in the flow of work,” NAD recommended that Microsoft modify these broad claims and disclose any material limitations related to how Business Chat assists consumers.

In reliance on the Advertiser’s representation that the claims (1) “Completing everyday tasks 29% faster”; (2) “Writing a first draft 43% faster”; (3) “Daily Time Saved: 420 hours”; (4) “71% of users say Copilot saves them time on mundane tasks”; and (5) “112% to 457% projected ROI using Copilot for 3 years” have been permanently discontinued, NAD did not review these claims on their merits. The voluntarily discontinued claims will be treated, for compliance purposes, as though NAD recommended their discontinuance and the Advertiser agreed to comply.

Lastly, NAD recommended that Microsoft discontinue the claim “Over the course of 6, 10, and more than 10 weeks, 67%, 70%, and 75% of users say they are more productive” or modify its advertising to provide a clear basis for the claim.

V. Advertiser’s Statement

Microsoft is pleased that NAD has recognized the robust and objective evidence that supports our claims about Copilot’s functionality. Although we disagree with NAD’s conclusions about the phrasing of our advertising and whether it implied certain claims, Microsoft appreciates the opportunity to participate in this proceeding and will follow NAD’s recommendations for clarifying its claims. **(#7390 LP, closed 05/30/2025)**

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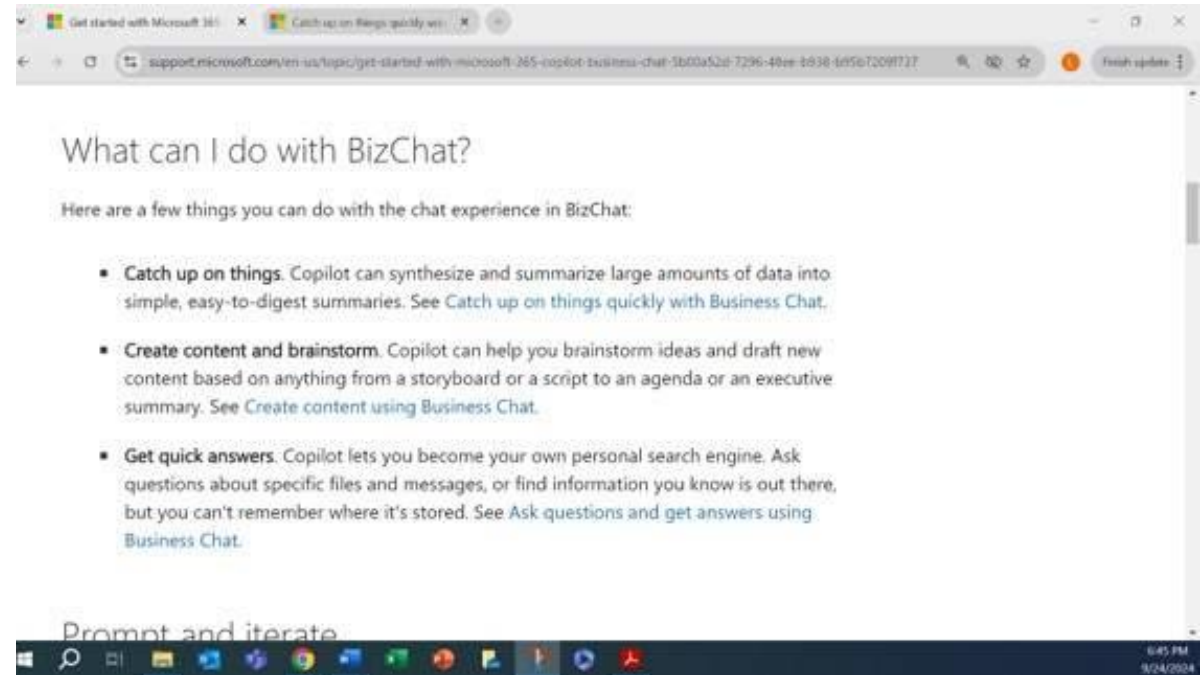
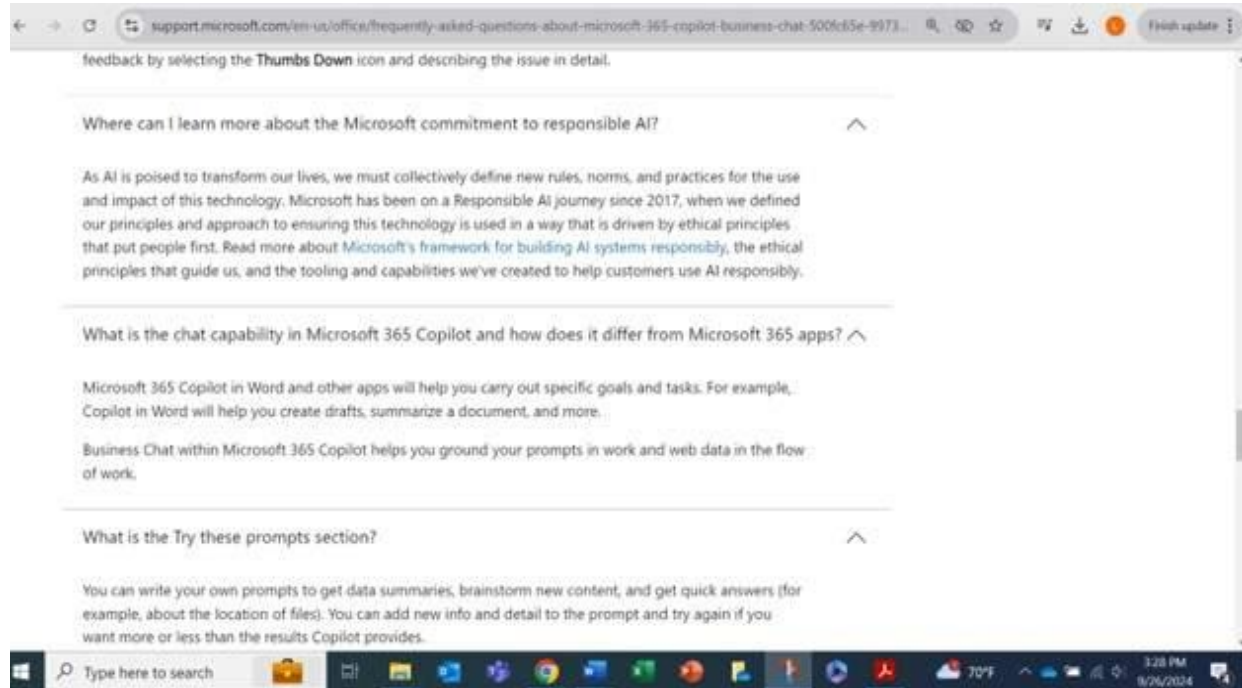
Microsoft Corporation

National Advertising Division

NAD Case #7390

May 2025

Relevant Media



Summary

NAD inquired about certain express and implied claims made by Microsoft that its 365 Copilot can assist users with “Get[ting] up to speed in less time” by “working seamlessly across all your data” and that Business Chat “helps you ground your prompts in work and web data in the flow of work.” NAD examined whether the claims of “seamlessly” and “in the flow of work” – along with the universal product description of “Copilot” – adequately communicated the differences in functionality between Copilot and Business Chat in Microsoft Office apps.

NAD recommended that Microsoft modify these broad claims and disclose any material limitations related to how Business Chat assists consumers. NAD found that the study relied on for the claim “Over the course of 6, 10, and more than 10 weeks, 67%, 70%, and 75% of users say they are more productive” demonstrated a perception of productivity, but did not provide a good fit for an objective claim. NAD recommended that Microsoft discontinue the claim or modify its advertising to provide a clear basis for the claim.