

For the most part, Microsoft and Google collect and use their user's data in very similar ways. Both companies collect personal data and use it to improve their ability to service the user. When they say "personal information", both companies are referring to things like user's names, passwords, credentials, phone numbers, payment information, interactions, devices used, browsing history, interests/favorites, contacts, location data, images/videos (and for Microsoft, voice data), general activity such as ratings/feedback/comments, etc. It feels like almost everything under the sun can and is collected by Google and Microsoft. Because both companies offer a wide variety of services, they are able to mine more and more data from their users, each tied to different aspects of their life. Both companies also allow users to manage/control some aspects of the data that is collected. They allow users to opt-out of certain services/data collection.

Microsoft says that they use personal data to "improve and develop our products", as well as "personalize our products and make recommendations", among other things. Google does the same deal, especially when you think about things like the YouTube algorithm providing recommendations to users based on their watch history, as well as personalized ads for users.

These two companies are extremely large and collect all types of data, so I think it's very hard to find major differences between the two in the way that they collect and use user data. Based on the way data collection is presented, however, I get the impression that Google is more transparent about data collection compared to Microsoft.