Microsoft Advertising Insights
The state of prepaid mobile and where it’s headed
Key findings

Prepaid in the time of COVID-19

Before the pandemic, prepaid search volume was projected to steadily decline year over year (YoY). Post-COVID-19, prepaid traffic has seen positive momentum, especially for non-brand searches.

Impressions and clicks on product/shopping ads have also increased throughout the year.

Forecasts show that search traffic will continue its upward momentum through the new year.

Prepaid marketplace trends

Non-brand searches increase significantly days before and the days after a phone launch. There are more non-brand phone queries before launch and more non-brand carrier plan type queries after launch.

Click-through-rates (CTR) for prepaid are highest in the Mid and North Atlantic, and in southern states.
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1 Prepaid in the time of COVID-19
2 Prepaid marketplace trends
3 Audience insights
4 Microsoft Audience Network resources
Prepaid in the time of COVID-19
Prepaid search volume started spiking in late summer 2020, surpassing previous 2018 highs

Search volume over time: all prepaid queries

Increase in non-brand prepaid carrier and phone searches, (brand) phone launch

Spike in "mobile phone prepaid" and "prepaid cell phone companies" searches

Proprietary Microsoft Advertising Source Data
Non-brand search volume saw a major uptick with phone announcements and releases this year

Invest more heavily in non-brand queries to keep up with increased search volume, especially before and after device launches.

![Graph showing search volume over time: prepaid non-brand queries](image-url)

- Pre-COVID-19
- Post-COVID-19

- Google Pixel 4a announcement
- Samsung Galaxy Note 20 announcement
- Apple iPhone 12 announcements

Search volume over time: prepaid non-brand queries

**Proprietary Microsoft Advertising Source Data**
Prepaid carrier brands follow similar search trends to one another

Search volume over time by prepaid brand

Proprietary Microsoft Advertising Source Data
Following prepaid search volume trends, impressions and clicks for product ads have steadily increased post-COVID-19

Prepaid Product (Shopping) Ads: impressions and clicks

*Plotted on separate axes for ease of viewing

Increase or maintain use of product/shopping ads due to positive momentum in impressions and clicks
Consumers started searching more heavily for “deals” and researching prepaid phone companies more frequently post-COVID

Top non-brand searches pre- and post-COVID-19

Invest more heavily in non-brand to keep up with increased search volume, especially before and after device launches.
What do typical pre-COVID-19 trends look like for prepaid search?

Prepaid search volume trends: pre-COVID-19

Before the pandemic, prepaid search volume was projected to steadily decline year over year (YoY).

These graphs represent search trends for the prepaid industry pre-COVID-19.
Prepaid searches increased by 53% against original 2020 forecast, due to the effects of COVID-19

Prepaid performance post-COVID-19 vs. original 2020 forecasts
Prepaid search volume is forecasted to continue growth

Search volume over time: prepaid queries, forecasted

*Black* shows actual searches, *grey* is the expected searches without the effect of COVID-19, *pink*, *blue* and *green* are three unique methods of forecasting searches based on the effect of COVID-19.
Prepaid Marketplace trends
Prepaid carrier brands stand on their own; most consumers do not search for prepaid brands alongside their parent companies

Search volume: with vs. without parent company referenced

<table>
<thead>
<tr>
<th>Brand</th>
<th>References Parent Company</th>
<th>Does Not Reference Parent Company</th>
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<tbody>
<tr>
<td>Brand 1</td>
<td>8.5%</td>
<td>91.5%</td>
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<tr>
<td>Brand 2</td>
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<td>Brand 5</td>
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</tr>
<tr>
<td>Brand 6</td>
<td>0.01%</td>
<td>100.0%</td>
</tr>
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</table>

Despite the lack of parent company reference, consider still covering keywords from parent/child brands as searchers do cross-search between the two.

Proprietary Microsoft Advertising Source Data: Query Paths from August – October 2020
Consumers search heavily with non-brand queries prior to new phone launches
Non-brand search comparison, pre- and post-launch

Pre-phone launch
1. ‘unlimited flipping cell phone deal’
2. ‘new flip cell phone deals’
3. ‘new phone for seniors’
4. ‘prepaid cellular phone’
5. ‘new flip cell phone deals’
6. ‘phone’
7. ‘best cellular phones’
8. ‘deals on cell phones’
9. ‘phone plans pay as you go’
10. ‘best smartphone deals’

Post-phone launch
1. ‘best smartphone deals’
2. ‘cell phone plan’
3. ‘the cheapest unlimited cell phone plans’
4. ‘economy phone plans for seniors’
5. ‘newest flip cell phone deal’
6. ‘cell phone plans’
7. ‘senior discount cell phone company’
8. ‘discount cell phone seniors’
9. ‘discount cell phone plans’
10. ‘smartphones’

There are more phone type non-brand searches pre-launch and plan searches after launch. Having an evergreen strategy for non-brand is essential to keep your brand top of mind in the consumer mindset. Investment now can lead to a shorter path in the future saving on costs later.
Where in the U.S. are consumers clicking at a higher rate for prepaid?

Top cities and states by click-through rate (CTR) for prepaid plan services

**Top 10 cities and states by CTR**

<table>
<thead>
<tr>
<th>Top 10 states</th>
<th>Top 10 cities</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Wyoming</td>
<td>1. Casper, WY</td>
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<tr>
<td>2. Maine</td>
<td>2. Marquette, MI</td>
</tr>
<tr>
<td>4. Tennessee</td>
<td>4. Parkersburg, WV</td>
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<tr>
<td>5. Virginia</td>
<td>5. Elmira, NY</td>
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<tr>
<td>7. Nebraska</td>
<td>7. Steubenville, OH</td>
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<tr>
<td>8. Montana</td>
<td>8. North Platte, NE</td>
</tr>
<tr>
<td>10. Wisconsin</td>
<td>10. Alexandria, LA</td>
</tr>
</tbody>
</table>

Heat map of contiguous US states showing concentration of cities with the highest CTR's

There are areas in the US where we see higher CTR's like in the Mid & North Atlantic. This is an opportunity to improve in other areas of the US where ads can be more prominent and show up more often, as well as an opportunity continue to capitalize where there is current interest.
Microsoft Audience Network ads are great for awareness – prepaid searchers tend to click on paid ads after exposure to a Microsoft Audience Network impression

After exposure to a Microsoft Audience Network impression:

~60% of users went on to click on a paid ad

~9% of users went on to click on an organic listing
Prepaid advertisers on the Microsoft Audience Network gained momentum following COVID-19, peaking in September

All Microsoft Audience Network clicks, prepaid wireless
Audience insights
Reach your audience across the funnel

- **Awareness**
  - Broad In-market Audiences¹
  - /Consumer Electronics

- **Consideration**
  - Niche In-market Audiences¹
  - /Mobile Phone
  - Service Plans
  - Mobile Phones

- **Conversion**
  - Customer Match/Custom Audiences¹

- **Reengage**
  - Remarketing

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1. Microsoft Internal Data, 1/1/2020 – 11/30/2020, Prepaid Wireless Advertisers

*source: [https://www.wordstream.com/blog/ws/2017/02/28/facebook-advertising-benchmarks](https://www.wordstream.com/blog/ws/2017/02/28/facebook-advertising-benchmarks)
Target Overlapping Audiences For More Volume

Consumers In-Market For Your Product...

9.95M
users who are In-Market for

/Telecom/Mobile Phone Service Providers

...Are Also In-Market For Others

45.80% /Financial Services/Financial Planning
45.42% /Personal Services/Pharmacy
43.82% /Financial Services/Credit & Lending/Credit Cards
42.86% /Business Services/Advertising & Marketing Services
36.75% /Hobbies & Leisure/Toys & Games
35.06% /Business Services/Building Construction &
Target Overlapping Audiences For More Volume

Consumers In-Market For Your Product...

1.90M
users who are In-Market for

/Consumer Electronics/Mobile Phones

...Are Also In-Market For Others

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
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</thead>
<tbody>
<tr>
<td>Apparel &amp; Accessories/Clothing</td>
<td>50.21%</td>
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<tr>
<td>Apparel &amp; Accessories/Handbags</td>
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<tr>
<td>Hobbies &amp; Leisure/Pets &amp; Animals</td>
<td>48.73%</td>
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<tr>
<td>Hobbies &amp; Leisure/Pets &amp; Animals/Pet Food &amp; Supplies/Pet Food &amp; Treats</td>
<td>48.21%</td>
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<tr>
<td>Consumer Electronics</td>
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</tr>
<tr>
<td>Home &amp; Garden/Kitchen &amp; Dining</td>
<td>44.14%</td>
</tr>
</tbody>
</table>
Recommendations

• Invest more heavily in non-brand to keep up with increased search volume, especially before and after device launches

• Increase or maintain use of product/shopping ads due to positive momentum in impressions and clicks

• Users from the Mid Atlantic, Northeast, and some central states click on prepaid ads at a higher rate on average; refer to our location breakdown data for opportunities to invest in new markets (in addition to continued focus on key metropolitan areas)

• Launch Microsoft Audience Network campaigns to further drive search volume and ad engagement

• Data shows that there is no need to reference the parent company name in ad copy, but consider still covering keywords from parent/child brands as searchers do cross-search between the two
Microsoft Audience Network resources
Meet the **Microsoft Audience Network**

- **Premium native placements**
  - Strict publisher standards and AI-powered curation

- **Brand-safe experiences**
  - Transparency and controls for advertisers

- **Highly contextual ad placements**
  - Based on Microsoft first-party data

- **Strong industry ad performance**
  - Driven by leading-edge AI technology

**Select publisher partners**
- Outlook.com
- Microsoft Edge
- MSN
Drive meaningful connections with your audience

Using Microsoft first-party intent data

- 1B devices running Windows 10
- 498M monthly unique visitors
- 11B global monthly searches
- 675M global professionals
- 200M monthly unique visitors
- 64M monthly unique users

A full suite of targeting tools helps you connect with your customers

Choose one or more targeting tools to reach your ideal customer

User and intent targeting

- Remarketing
- In-market Audiences
- Custom Audiences
- Product Audiences
- Similar Audiences
- Customer Match
- Custom Combination Lists

User profile targeting

- LinkedIn Profile Targeting
- Age and gender targeting

Location and device

- Location targeting
- Device targeting

*Three LinkedIn profile dimensions available at pilot kickoff: company, industry and job function, with more to follow.
Achieve your goals with high-performing ads

Our Audience Ads CTRs outperform other native platforms delivering ads on the same properties

- **MSN INFOPANE**: 2x CTR\(^1\)
- **OUTLOOK.COM**: 1.2x CTR\(^2\)
- **PUBLISHER PARTNERS**: 3.5x CTR\(^3\)

Digital consumer decision journey
How do online shoppers search & browse across all digital channels?
Paid Search (SEM) plays an integral role in the journey
Percent of conversions; last-touch and multi-touch attribution

Paid search captures majority of last click conversions throughout the online shopper’s journey.

Other channels contribute from a paid multi-touch perspective. How do these channels drive users to paid search during their journey?

Microsoft internal data; click based attribution (impression ad exposure not considered). N = 1000 users. May 2020 – October 2020. US and PC only. Analysis of paid media only. Inclusive of Display, Native, Partner, Referral (including affiliates), Social, Video, and Paid Search. Publisher and platform agnostic. Multiple paid media click touchpoints required for analysis inclusion.
Native remains a key channel for Tech & Telco
The likelihood of an online shopper engaging with one digital touchpoint after another

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<th>display</th>
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<th>native</th>
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<th>referral</th>
<th>sem</th>
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75.1% of Native ad clicks lead to paid search clicks
Leverage the Microsoft Audience Network, Microsoft’s premium Native offering to reach users who are likely to interact with paid search after seeing a Native placement.

User clicks on a brand’s Native ad
3.5% of users convert after clicking on the Native ad

75.1% of users who do not convert on the Native ad go on to engage with an advertiser’s Paid Search ad in their next touchpoint
The relationship between search and Native remains even for users who began with search

The likelihood of an online shopper engaging with one digital touchpoint after another

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19.1% of a search clicker’s cross-channel activity are on Native, further reinforcing the connection between search and Native channels. It is not solely a one-directional link, search activations support Native in the same way Native can support search.

Microsoft internal data; click based attribution (impression ad exposure not considered). N = 1000 users. May 2020 – October 2020. US and PC only. Analysis of paid media only. Inclusive of Display, Native, Partner, Referral (including affiliates), Social, Video, and Paid Search. Publisher and platform agnostic. Multiple paid media click touchpoints required for analysis inclusion.
The complete cross-channel matrix shows most channels overlap strongly with paid search

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Most digital ad interactions end up leading to a follow-up engagement with a search ad. This highlights the importance of search as a lower funnel channel, necessary to capture demand fueled by all other digital touchpoints.

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Microsoft Audience Ads exposure improves brand awareness, consideration and purchase for Tech & Telco

**AWARENESS**

+210%
Lift in brand awareness per user, measured by post-exposure brand search rate

**CONSIDERATION**

+248%
Lift in brand consideration per user, measured by post-exposure domain visit rate

**PURCHASE**

+131%
Lift in brand purchase per user, measured by post-exposure conversion page visit rate

Notes: Results may vary for each advertiser based on campaign settings, targeted audiences and other factors. Lift metrics represent an average of Technology & Telecommunications advertisers with completed lift studies to date (Oct. 2020). These advertisers are a non-representative sample of Tech/Telco advertisers in the marketplace. Lift measured between exposed users and a control group of eligible unexposed users. Data points represent lift on a per-user basis. Average user count per advertiser study = 818K, data collected May-Oct. 2020.
Users are actively engaging between Microsoft Audience Network and paid search

Percent of paths from first channel to last channel across the Microsoft Network

Of the people who converted via paid search, 16.8% started their journey with a Microsoft Audience Network impression.
Activate across both Microsoft Audience Network and paid search to maximize performance for Tech & Telco

Users exposed to both Microsoft Audience Network and paid search ads are more likely to visit a Technology brand’s website compared to those who are exposed to only one type of ad.

Layer additional audiences, such as Dynamic Remarketing and In-market Audiences for a more targeted reach.

Notes: Results may vary for each advertiser based on campaign settings, targeted audiences and other factors. Lift metrics represent an average of Technology & Telecommunications advertisers with completed lift studies to date (Oct. 2020). These advertisers are a non-representative sample of Tech/Telco advertisers in the marketplace. Lift measured between exposed users and a control group of eligible unexposed users. Data points represent lift on a per-user basis. Average user count per advertiser study = 818K, data collected May-Oct. 2020.
To get actionable data, insights and best practices to help make decisions and grow your business, visit MicrosoftAdvertising.com/Insights