Microsoft

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.

Contents

1 Prepaid in the time of COVID-19

2 Prepaid marketplace trends

3 Audience insights

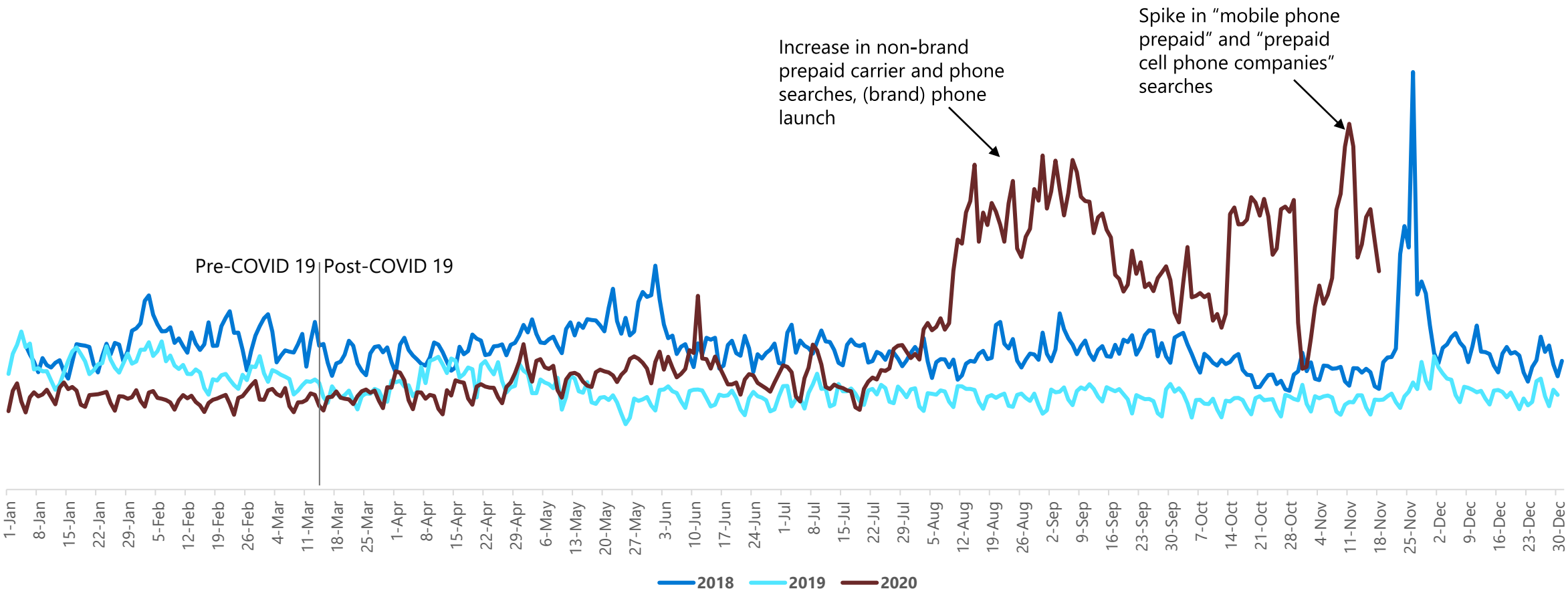
4 Microsoft Audience Network resources

Microsoft

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



Proprietary Microsoft Advertising Source Data

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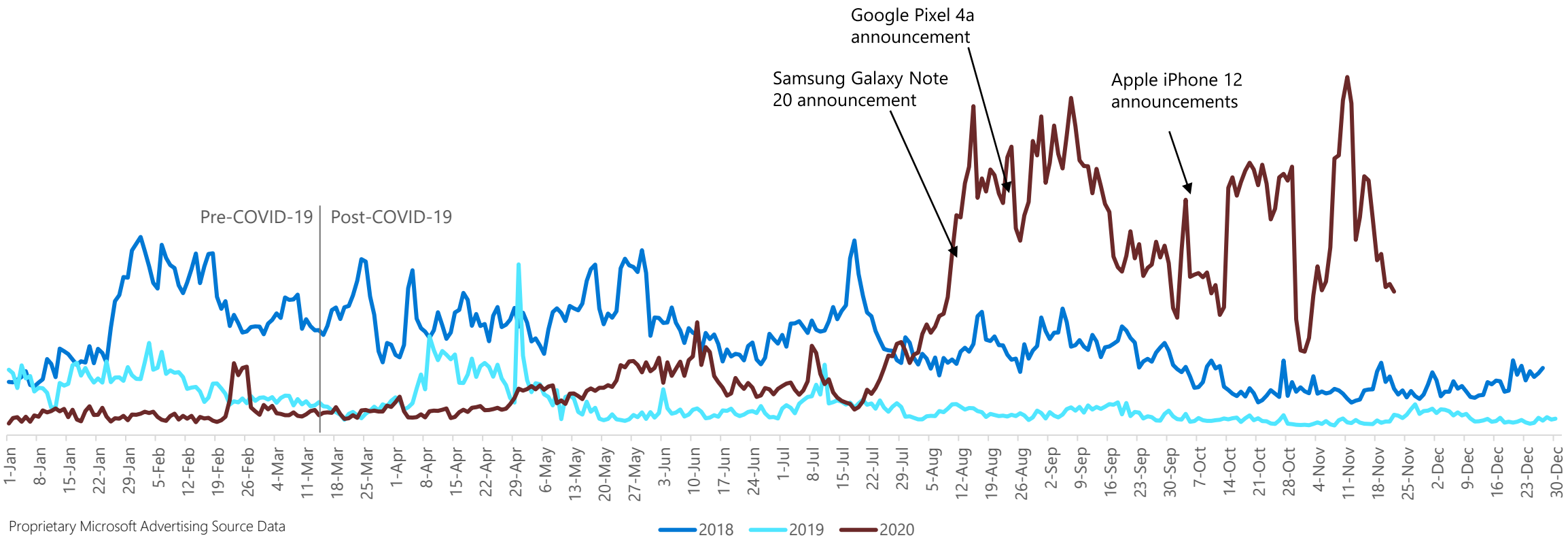
Non-brand search volume saw a major uptick with phone announcements and releases this year

Search volume over time: prepaid non-brand queries



Proprietary Microsoft Advertising Source Data

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

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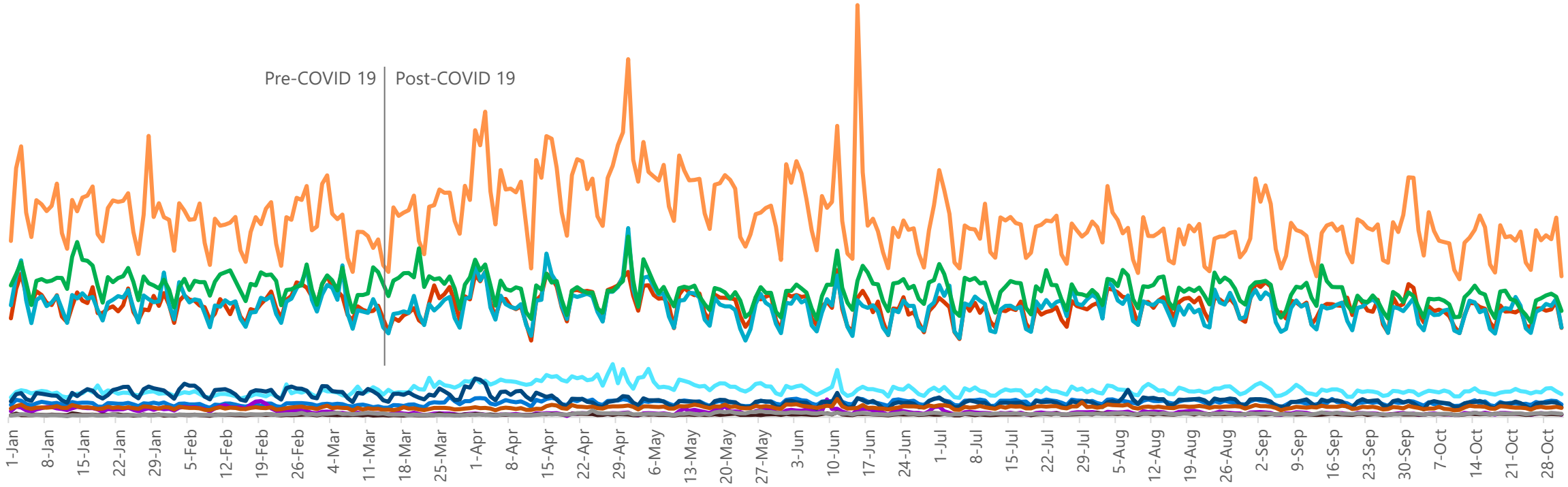
Prepaid carrier brands follow similar search trends to one another

Search volume over time by prepaid brand



Proprietary Microsoft Advertising Source Data

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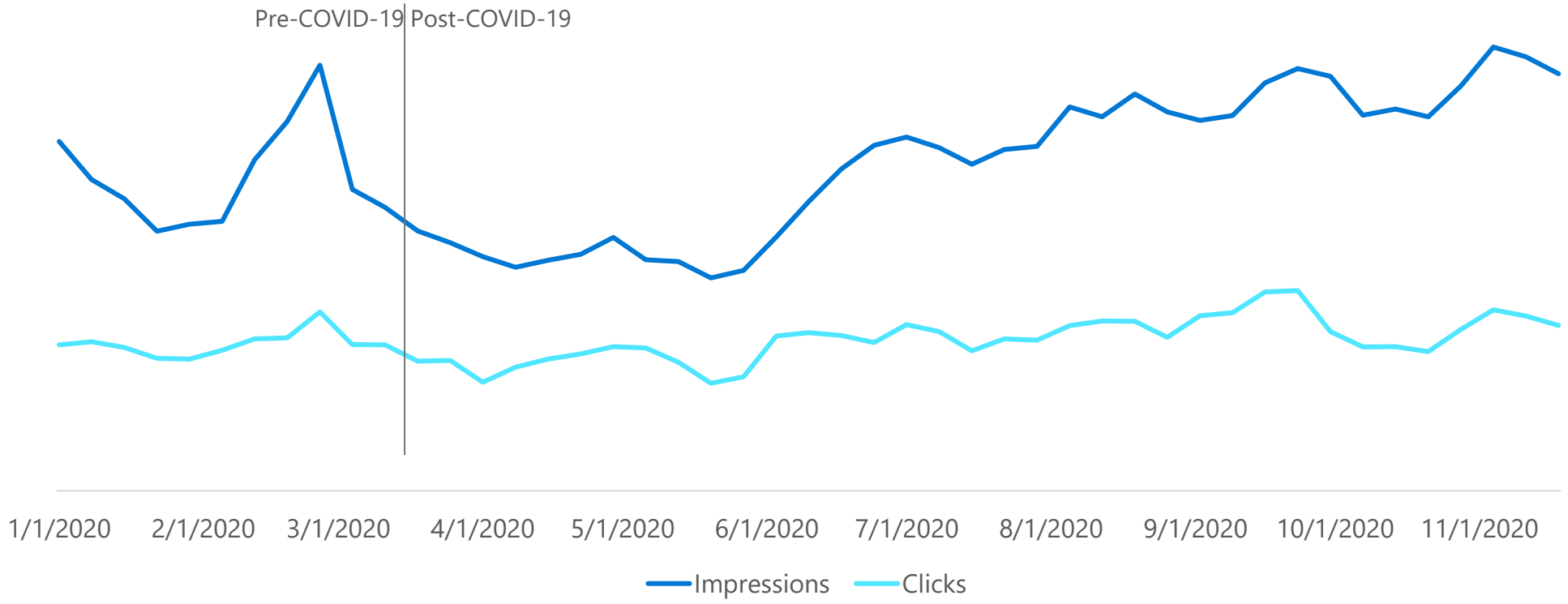
Following prepaid search volume trends, impressions and clicks for product ads have steadily increased post-COVID-19

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

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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

Pre-COVID-19

Post-COVID-19

Top 10 keywords

Pre-COVID-19	Post-COVID-19
1. ‘wireless prepaid phone plans’	1. ‘prepaid phone deals’
2. ‘wireless prepaid phone’	2. ‘prepaid cell phone companies’
3. ‘wireless prepaid phones’	3. ‘prepaid phones’
4. ‘cell phone plan prepaid’	4. ‘prepaid cellular plans’
5. ‘prepaid cell phone deals’	5. ‘cell phone plans prepaid’
6. ‘prepaid phones’	6. ‘prepaid cell phones’
7. ‘prepaid cellular phone’	7. ‘prepaid phone plans’
8. ‘prepaid cell phone plan’	8. ‘prepaid cell phone plan’
9. ‘cell phone plans prepaid’	9. ‘prepaid cell phone plans’
10. ‘cell phone prepaid plans’	10. ‘wireless prepaid phones’

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

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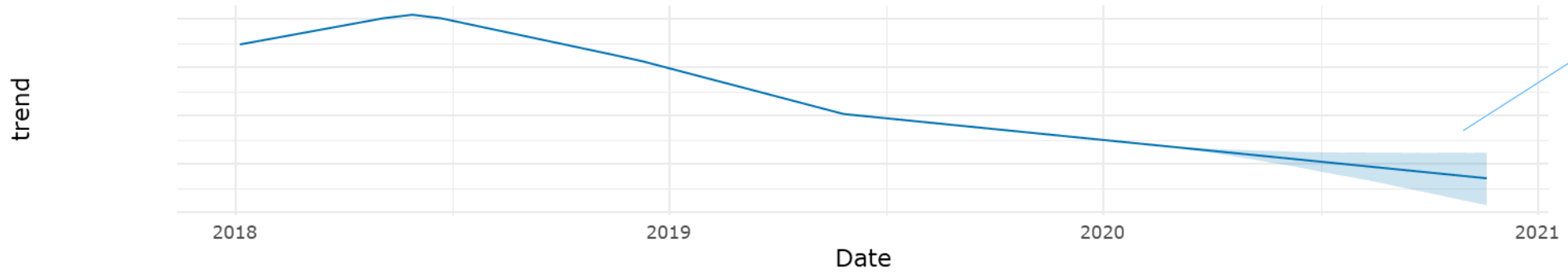
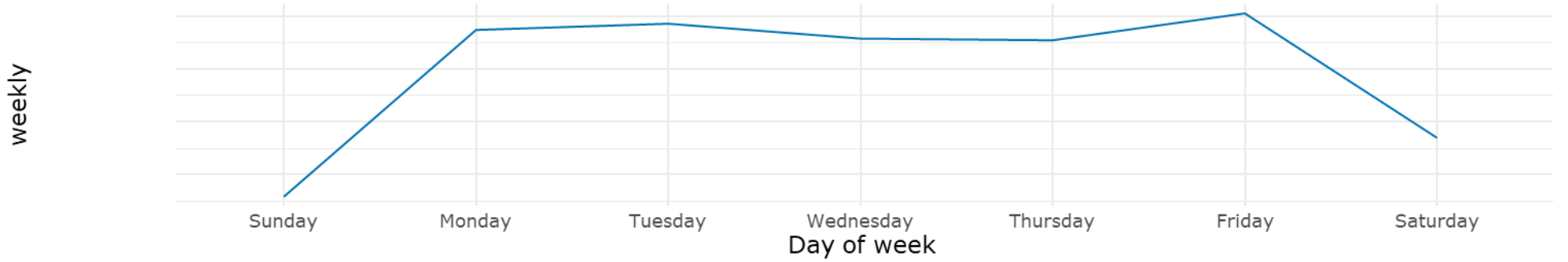
Proprietary Microsoft Advertising Source Data – Pre-COVID data represented by the time period September 2019-February 2020 | Post-COVID data represented by the time period March 15th 2020 – September 2020

What do typical pre-COVID-19 trends look like for prepaid search?

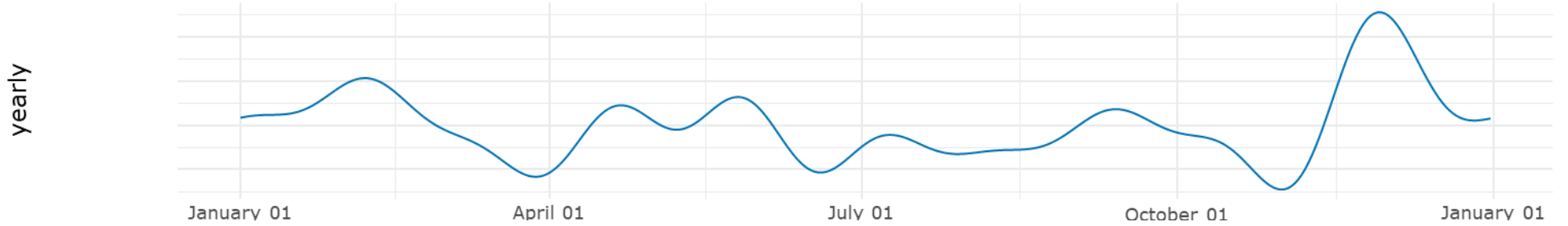
Prepaid search volume trends: pre-COVID-19



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



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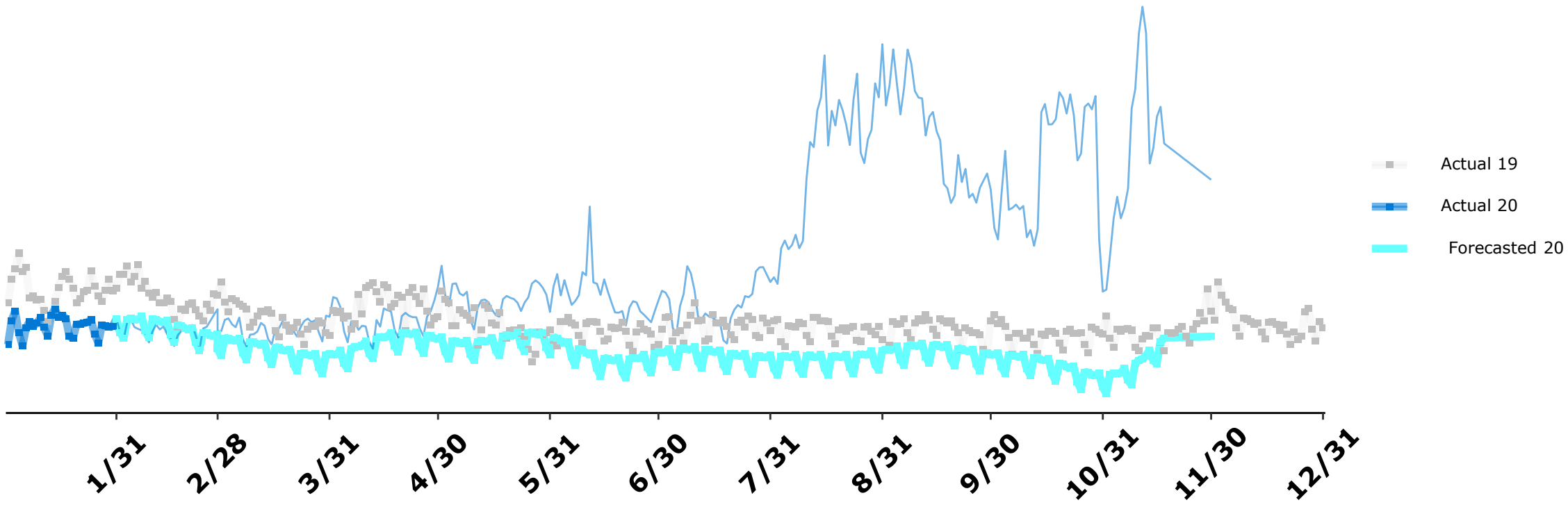
Prepaid searches increased by 53% against original 2020 forecast, due to the effects of COVID-19

Prepaid performance post-COVID-19 vs. original 2020 forecasts



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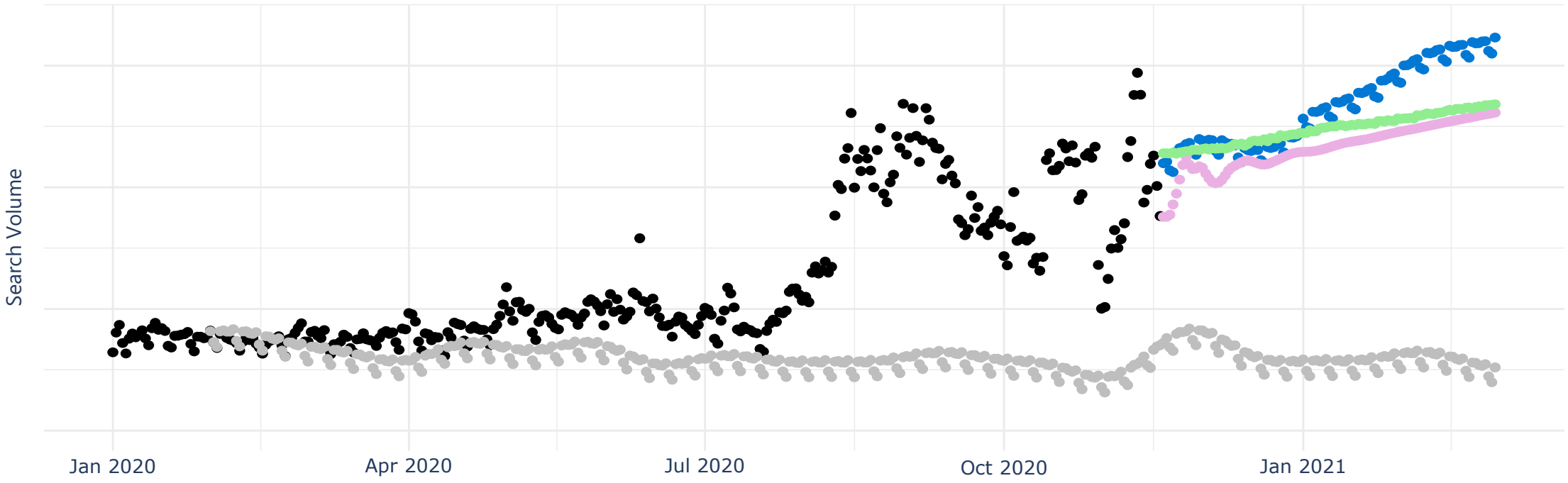
Proprietary Microsoft Advertising Source Data

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

Proprietary Microsoft Advertising Source Data

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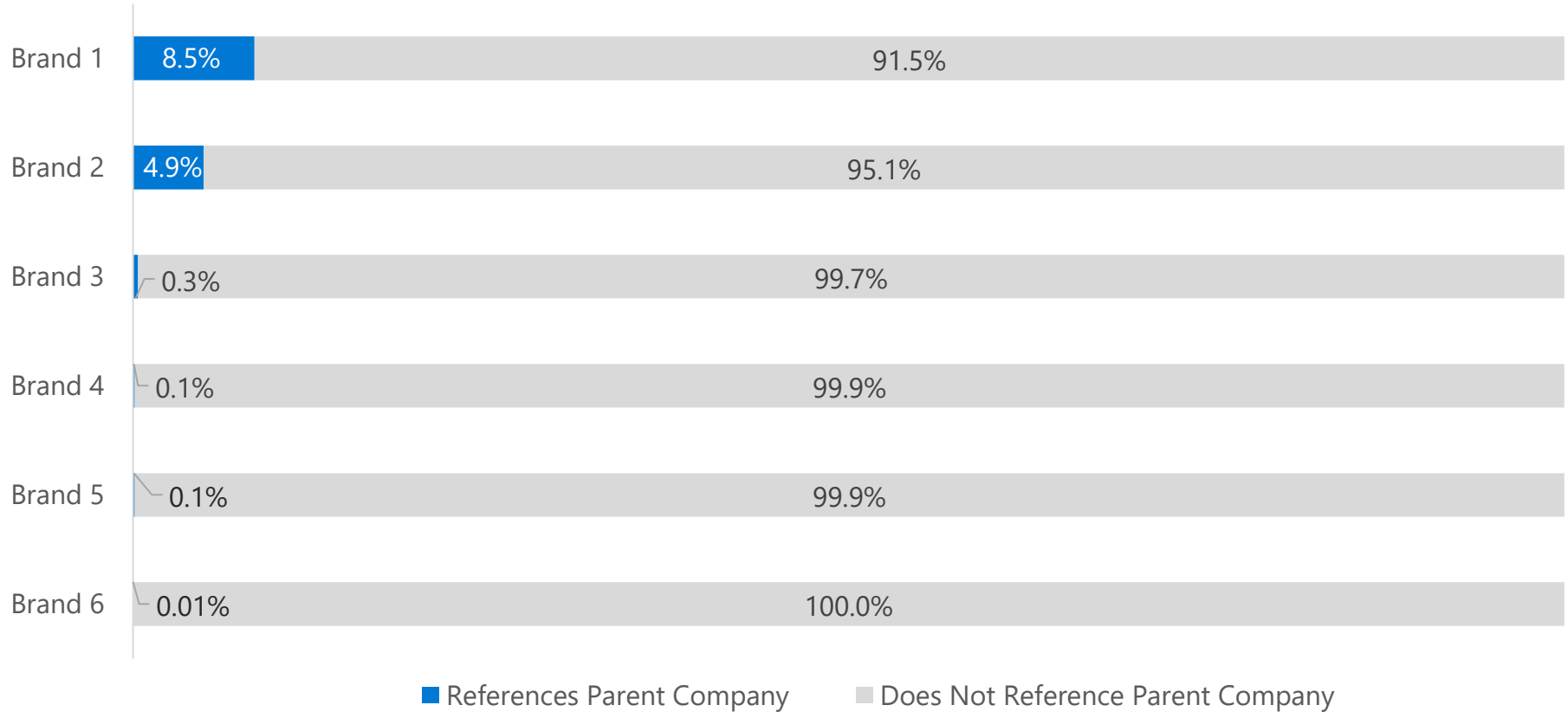
Prepaid Marketplace trends

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



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

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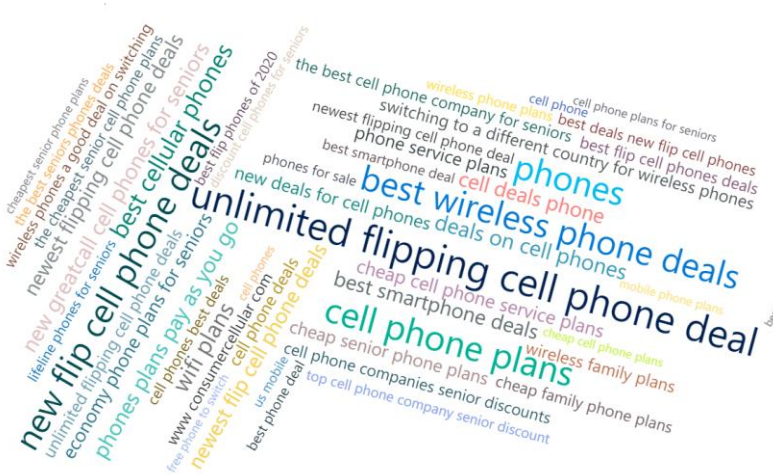
Proprietary Microsoft Advertising Source Data: Query Paths from August – October 2020

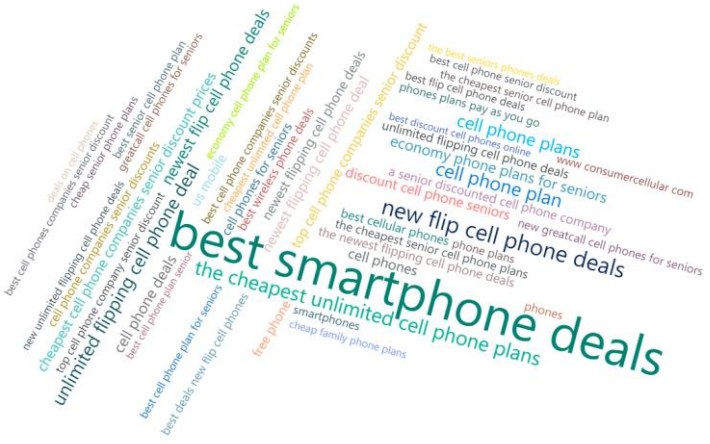
Consumers search heavily with non-brand queries prior to new phone launches

Non-brand search comparison, pre- and post-launch

Pre-phone launch



Post-phone launch



Top 10 non-brand queries

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. new flip cell phone deals’
9. ‘discount cell phone seniors’
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.

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Proprietary Microsoft Advertising Source Data: Query Paths from August – October 2020

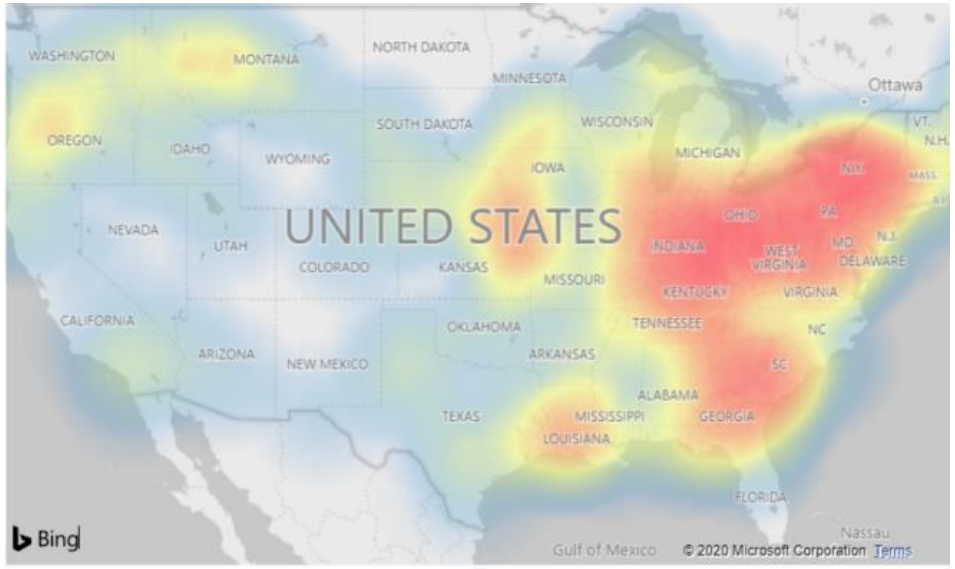
Where in the U.S. are consumers clicking at a higher rate for prepaid?

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

Top 10 cities and states by CTR

Top 10 states	Top 10 cities
1. Wyoming	1. Casper, WY
2. Maine	2. Marquette, MI
3. North Dakota	3. Bangor, ME
4. Tennessee	4. Parkersburg, WV
5. Virginia	5. Elmira, NY
6. South Dakota	6. Wheeling, WV
7. Nebraska	7. Steubenville, OH
8. Montana	8. North Platte, NE
9. Kansas	9. Missoula, MT
10. Wisconsin	10. Alexandria, LA

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

Proprietary Microsoft Advertising Source Data: Query Paths from August – October 2020

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

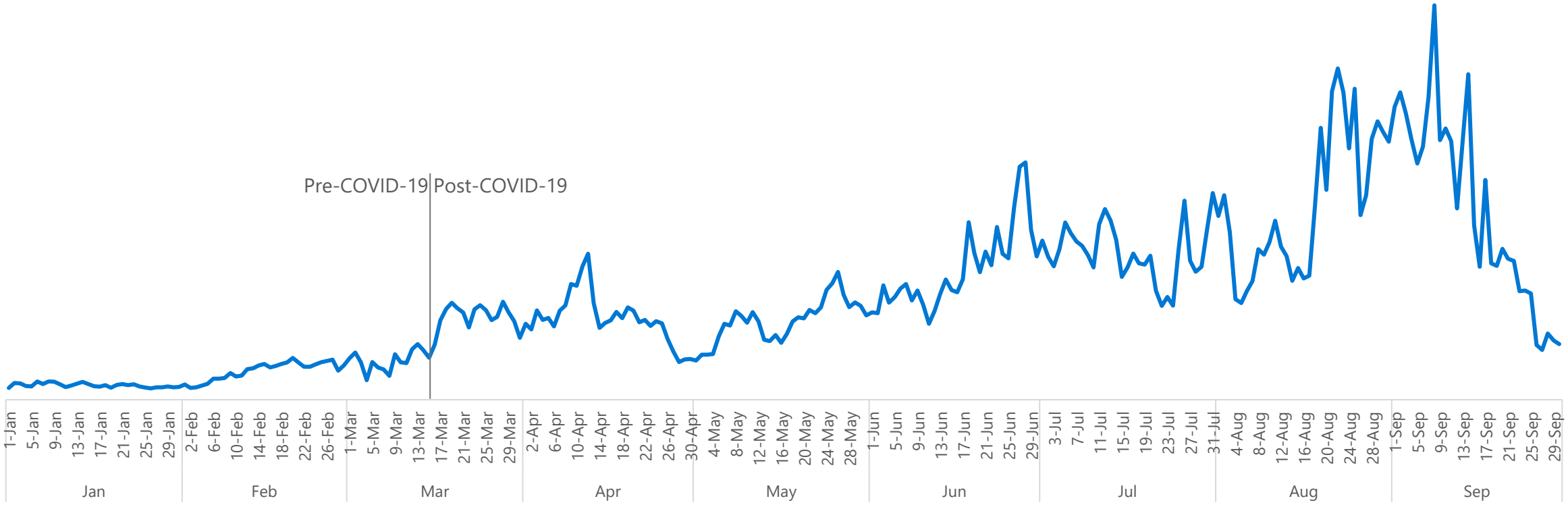
Launch Microsoft Audience Network campaigns to further drive search volume and ad engagement

Microsoft

Proprietary Microsoft Advertising Source Data: Query Paths from August – October 2020

Prepaid advertisers on the Microsoft Audience Network gained momentum following COVID-19, peaking in September

All Microsoft Audience Network clicks, prepaid wireless



Proprietary Microsoft Advertising Source Data

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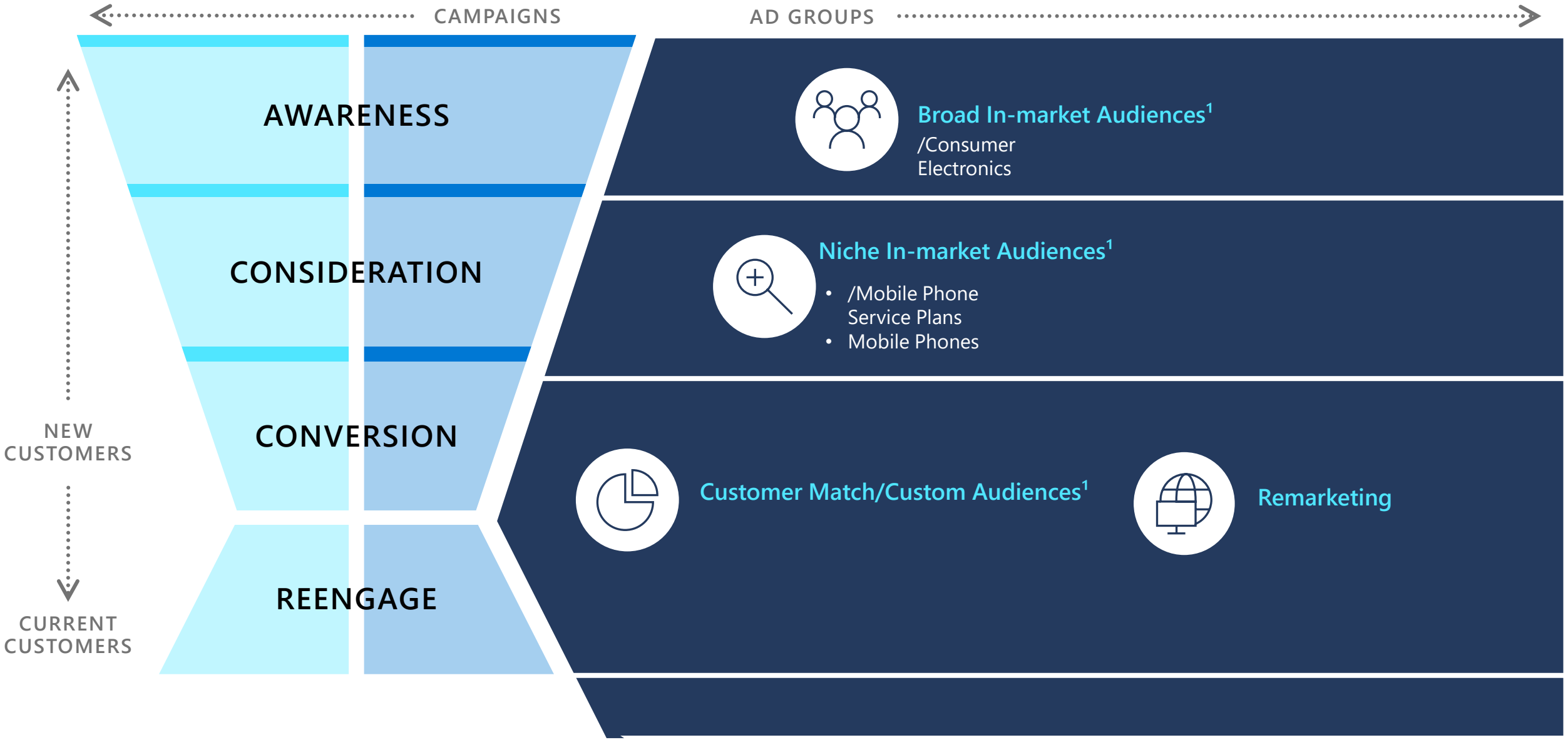
Audience insights

Reach your audience across the funnel



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

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 &

Microsoft

Proprietary Microsoft Advertising Source Data – October 2020

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

50.21%	/Apparel & Accessories/Clothing
50.07%	/Apparel & Accessories/Handbags
48.73%	/Hobbies & Leisure/Pets & Animals
48.21%	/Hobbies & Leisure/Pets & Animals/Pet Food & Supplies/Pet Food & Treats
46.01%	/Consumer Electronics
44.14%	/Home & Garden/Kitchen & Dining

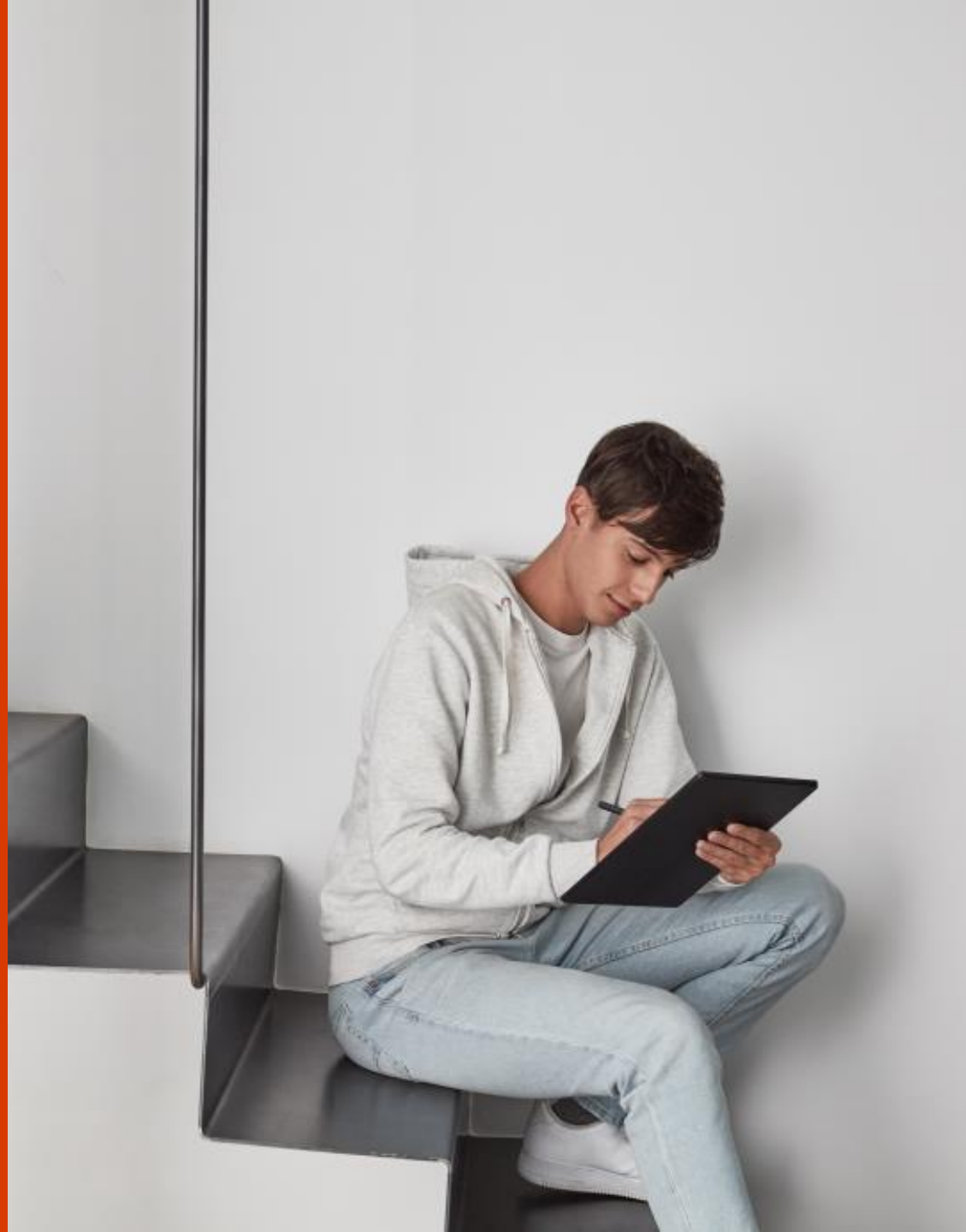
Microsoft

Proprietary Microsoft Advertising Source Data – October 2020

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



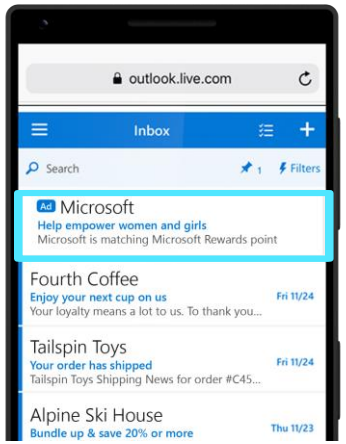
Meet the Microsoft Audience Network

Premium native placements
Strict publisher standards and AI-powered curation

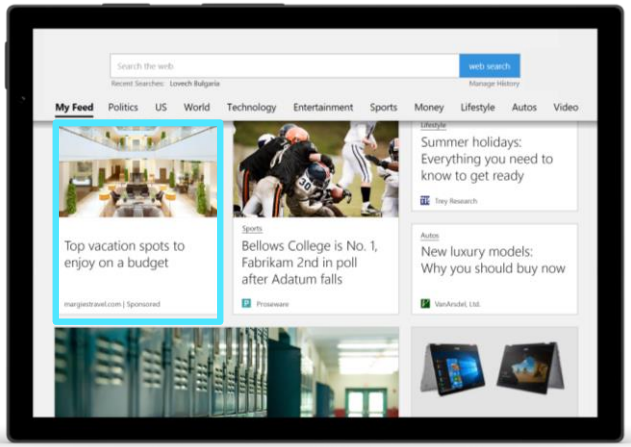
Brand-safe experiences
Transparency and controls for advertisers

Highly contextual ad placements
Based on Microsoft first-party data

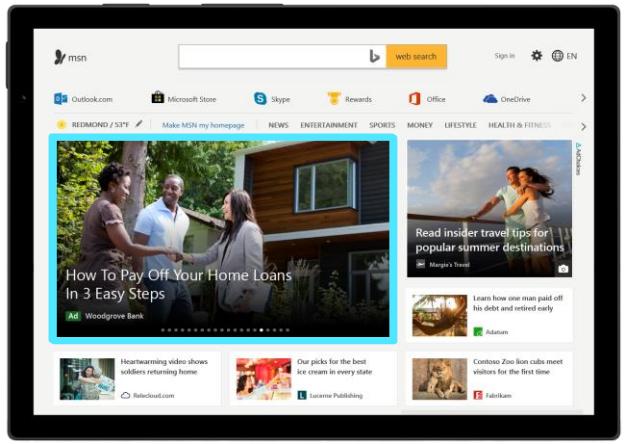
Strong industry ad performance
Driven by leading-edge AI technology



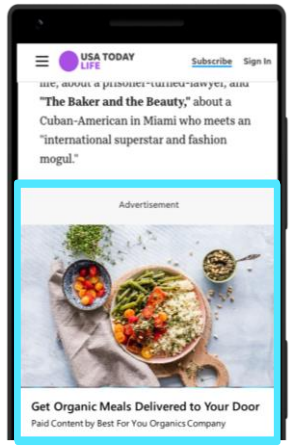
Outlook.com



Microsoft Edge



MSN



Select publisher partners

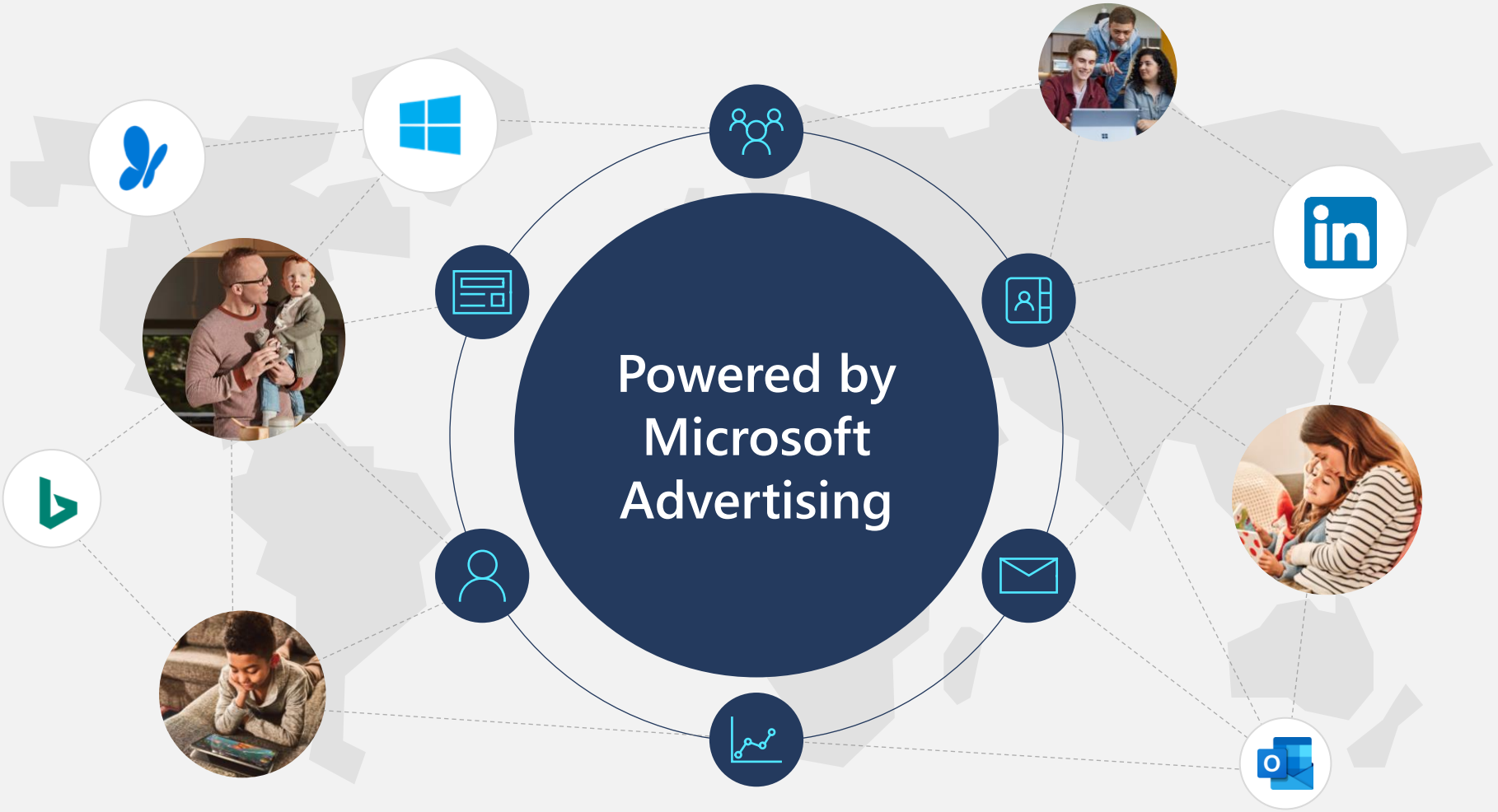
Drive meaningful connections with your audience

Using Microsoft first-party intent data

1B
devices running Windows 10[1]

498M
monthly unique visitors[2]

11B
global monthly searches[2]



675M
global professionals[3]

200M
monthly unique visitors[2]

64M
monthly unique users[2]

1. Microsoft internal data, June 2020, (https://news.microsoft.com/bythenumbers/en/windowsdevices). 2. comScore, August 2018. 3. Omnicore, May 2019. 4. Microsoft internal data.

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.

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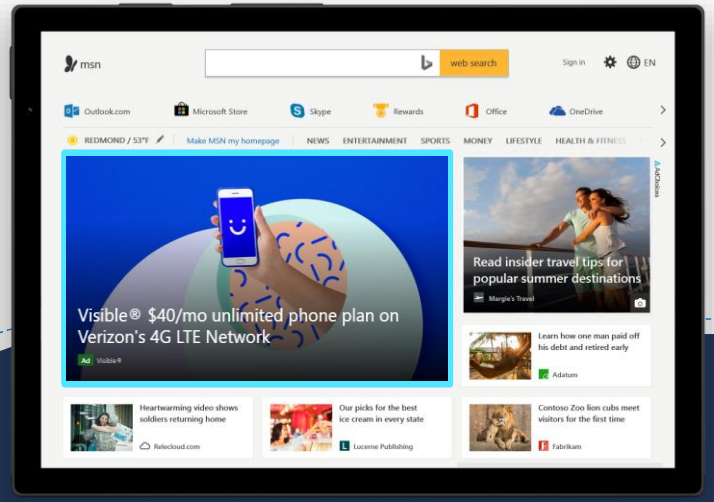
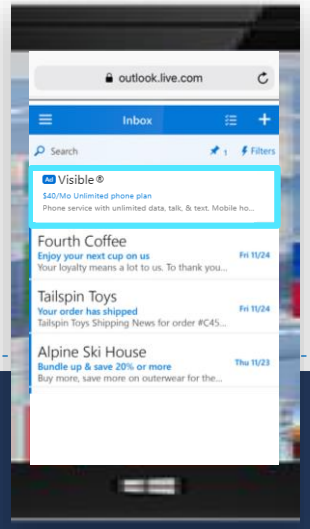
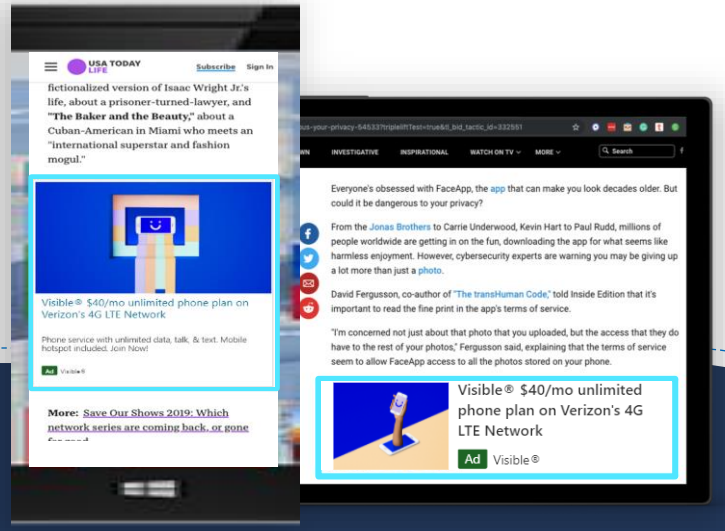
Achieve your goals with high-performing ads

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]

1. Microsoft internal data, November 2019-January 2020. 2. Microsoft internal data, July 2019-October 2019. 3. Publisher partner data and Microsoft internal data, November 2019-January 2020. Numbers are rounded to the nearest percentage point. CTR is click-through rate.

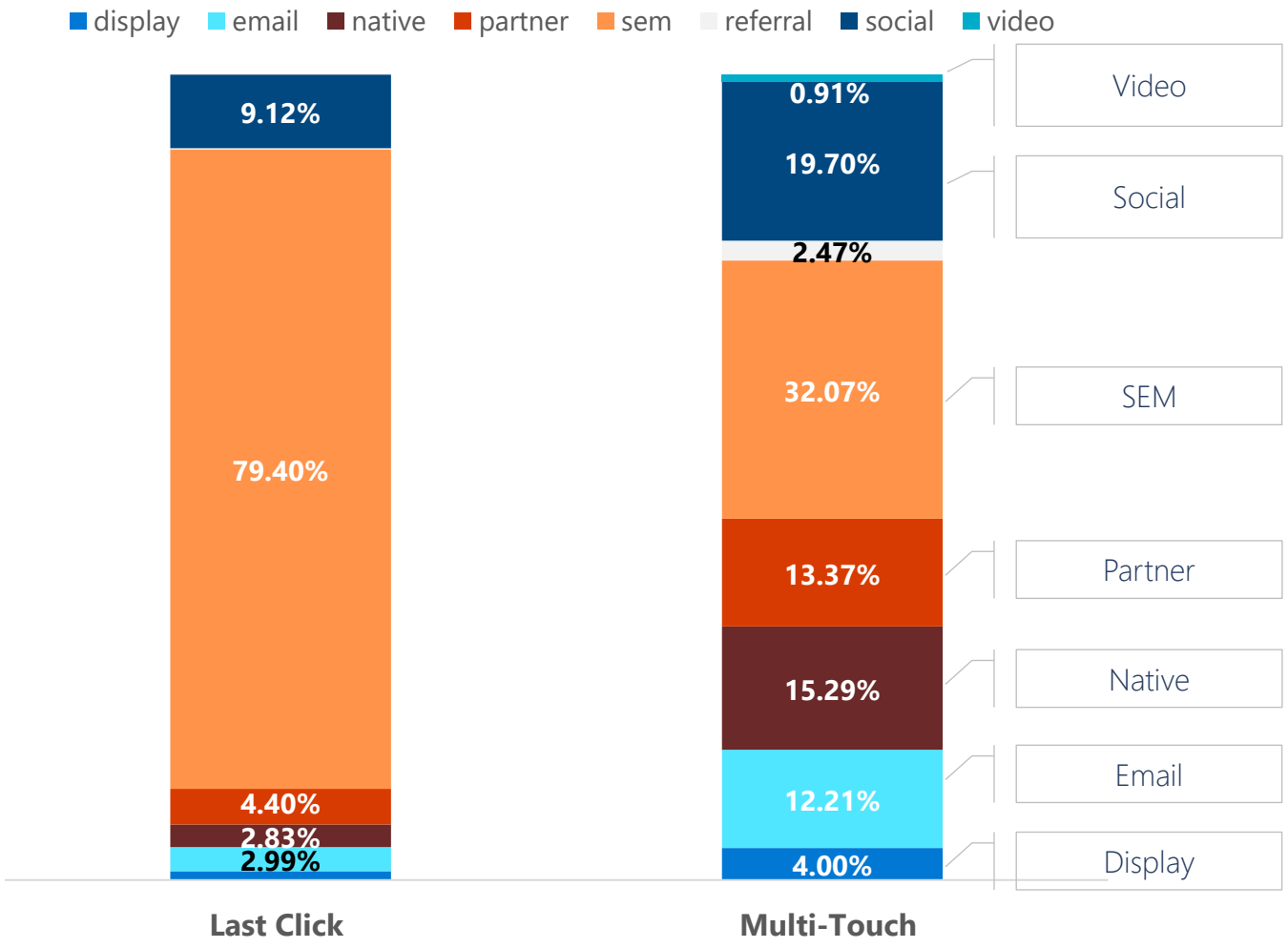
Microsoft

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



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.

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

Native remains a key channel for Tech & Telco

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

Channel From \ Channel To	(conversion)	display	email	native	partner	referral	sem	social	video
display	8.0%		2.3%	14.9%	10.3%		63.2%	1.1%	
email	5.4%	0.3%		2.5%	3.1%	0.8%	70.4%	17.2%	0.3%
native	3.5%	3.7%	1.0%		5.6%	0.4%	75.1%	10.7%	
partner	7.0%	2.3%	1.5%	6.0%		0.3%	62.8%	20.0%	0.3%
referral	2.0%		3.9%	5.9%	7.8%		68.6%	11.8%	
sem	25.7%	2.3%	12.9%	19.1%	11.4%	1.7%		26.5%	0.5%
social	7.3%	1.0%	8.2%	6.8%	10.7%	0.8%	64.9%		0.4%
video				11.1%	11.1%		61.1%	16.7%	

1

User clicks on a brand's Native ad

2

3.5% of users convert after clicking on the Native ad

3

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

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.

Microsoft

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 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

Channel From \ Channel To	(conversion)	display	email	native	partner	referral	sem	social	video
display	8.0%		2.3%	14.9%	10.3%		63.2%	1.1%	
email	5.4%	0.3%		2.5%	3.1%	0.8%	70.4%	17.2%	0.3%
native	3.5%	3.7%	1.0%		5.6%	0.4%	75.1%	10.7%	
partner	7.0%	2.3%	1.5%	6.0%		0.3%	62.8%	20.0%	0.3%
referral	2.0%		3.9%	5.9%	7.8%		68.6%	11.8%	
sem	25.7%	2.3%	12.9%	19.1%	11.4%	1.7%		26.5%	0.5%
social	7.3%	1.0%	8.2%	6.8%	10.7%	0.8%	64.9%		0.4%
video				11.1%	11.1%		61.1%	16.7%	

1 User clicks on a brand's Search ad

2 **26%** of users convert after clicking on the Search ad

3 **19.1**% of users who do not convert on the Search ad go on to engage with an advertiser's Native ad in their next touchpoint

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.

Microsoft

The complete cross-channel matrix shows most channels overlap strongly with paid search

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

Channel From \ Channel To	(conversion)	display	email	native	partner	referral	sem	social	video
display	8.0%		2.3%	14.9%	10.3%		63.2%	1.1%	
email	5.4%	0.3%		2.5%	3.1%	0.8%	70.4%	17.2%	0.3%
native	3.5%	3.7%	1.0%		5.6%	0.4%	75.1%	10.7%	
partner	7.0%	2.3%	1.5%	6.0%		0.3%	62.8%	20.0%	0.3%
referral	2.0%		3.9%	5.9%	7.8%		68.6%	11.8%	
sem	25.7%	2.3%	12.9%	19.1%	11.4%	1.7%		26.5%	0.5%
social	7.3%	1.0%	8.2%	6.8%	10.7%	0.8%	64.9%		0.4%
video				11.1%	11.1%		61.1%	16.7%	

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.

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.

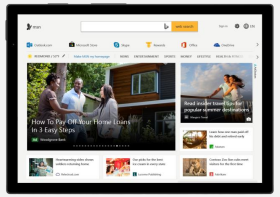
Microsoft

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

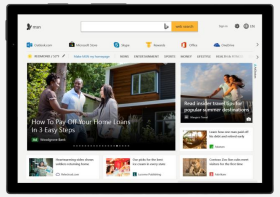


Brand

CONSIDERATION

+248%

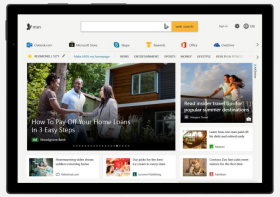
Lift in brand consideration per user, measured by post-exposure domain visit rate



PURCHASE

+131%

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

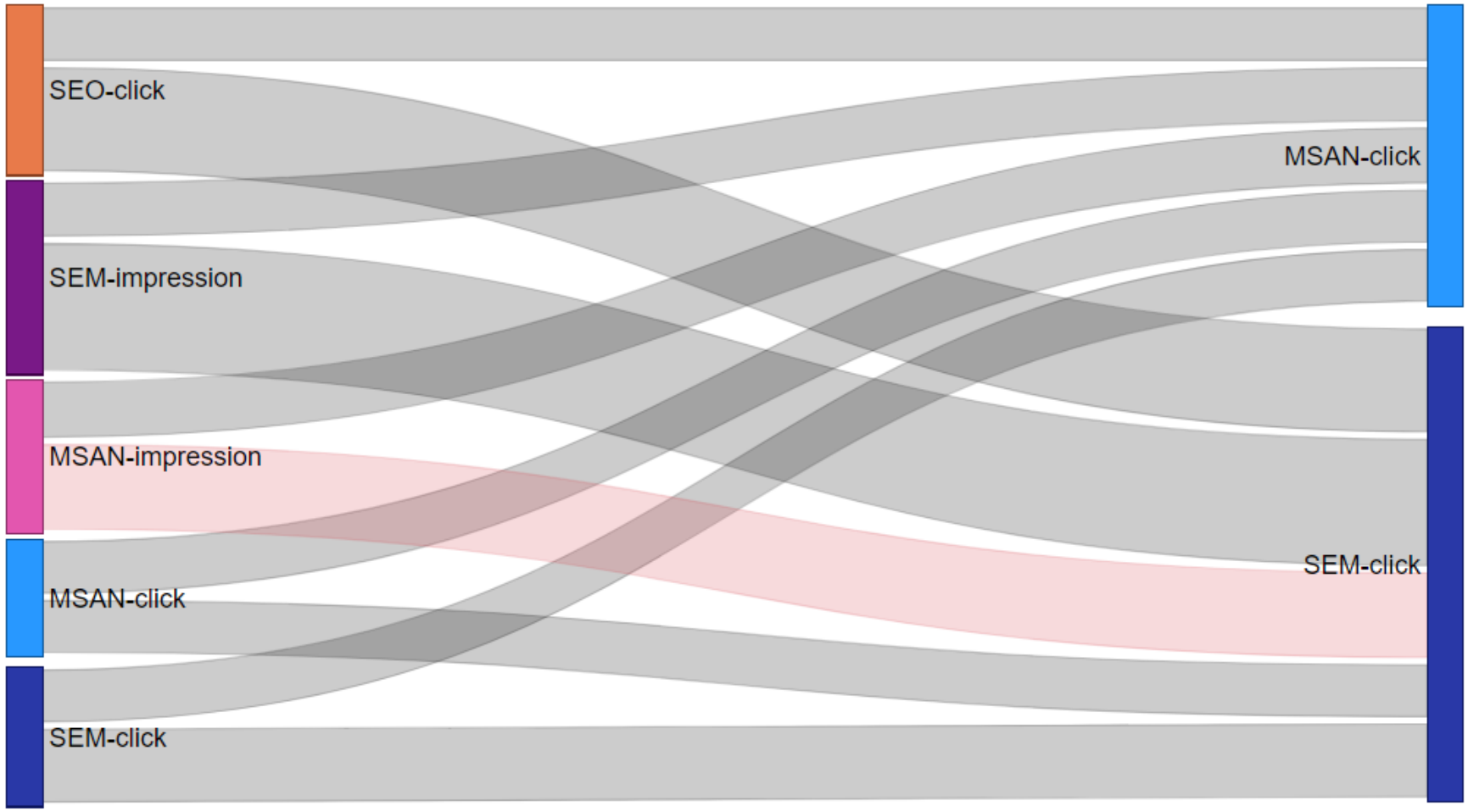


Notes: Results may vary for each advertiser based on campaign settings, targeted audiences and other factors. Lift metrics represent an average of Technology & Telecommunications advertisers with completed lift studies to date (Oct. 2020). These advertisers are a non-representative sample of Tech/Telco 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.

Microsoft

Users are actively engaging between Microsoft Audience Network and paid search

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



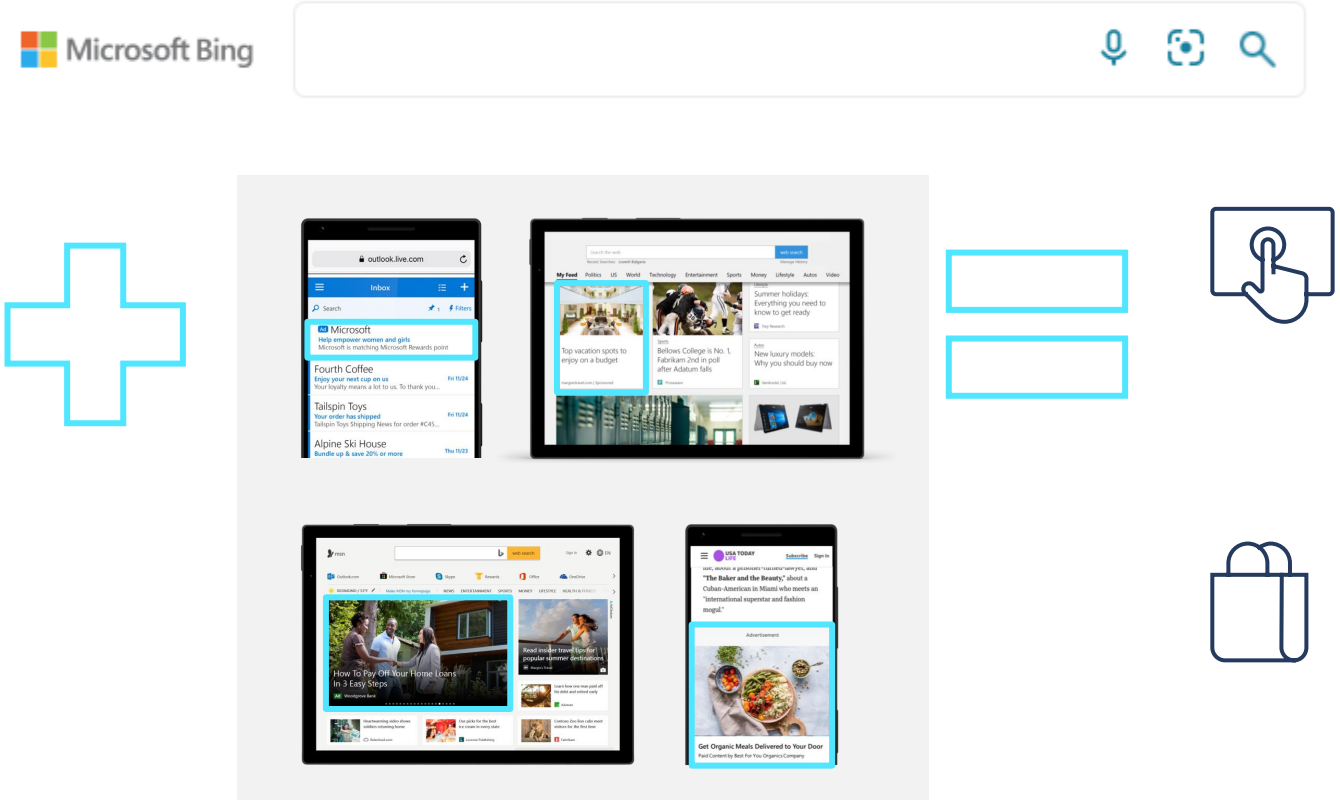
The path is not linear; it's important to have coverage across both Microsoft Audience Network and paid search to ensure you're present during every step of the user journey.

Of the people who converted via paid search, **16.8% started** their journey **with a Microsoft Audience Network impression**

Microsoft

Microsoft internal data; Microsoft Advertising Query Path Data for US Tech & Telco Advertisers, July 2020 – August 2020, 26.6K total unique paths; Multi-touch Attribution

Activate across both Microsoft Audience Network and paid search to maximize performance for Tech & Telco



+214%
Domain visitation
vs. only search ad exposure

+296%
Domain conversion
vs. only search ad exposure

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.

Microsoft

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

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