The new age of Telecommunications
What is the current demand for smartphones?

Third party research
Consumer purchase intent for iPhones is at its highest in five years

A May 2021 UBS survey showing consumer intent to purchase an iPhone is at its **highest in five years, with 22% intending to buy iPhones** within the next 12 months.

iPhone retention rate reached 86%, the highest level in seven years with **interest in 5G** modestly improving.

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**Number of smartphones sold to end users worldwide from 2007 to 2021**
*(in million units)*

Source: Statista, 2021

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Apple Up After UBS Survey Says Intent To Buy iPhones At 5-Year High, May 2021: [Investing.com](https://www.investing.com)
2021 5G smartphone sales expected to increase by 404% over 2020

“Smartphones have a lot going for them this year, after 2020, which saw a decrease in smartphone shipments. This year, we have pent-up demand. People put off purchases last year because they just weren’t on the go as much. They were focused on home entertainment or home electronics. And this year people are getting out and about more. And it’s also prime time for 5G upgrades.”

~ Rick Kowalski, director of industry analysis and business intelligence at the CTA

106M 5G handsets expected to ship in 2021 equating to $61 billion
In the first month of 2021, global semiconductor applications like 5G amounted to more than 40 billion U.S. dollars in sales.
Brick and mortar sales are projected to rebound significantly, while Ecommerce is expected to sustain double digit growth

Retail Ecommerce predictions

Note: includes products or services ordered using the internet, regardless of the method of payment or fulfillment; excludes travel and event tickets, payments such as bill pay, taxes, or money transfers, food services, and drinking place sales, and gambling and other vice good sales; brick and mortar sales exclude products or services ordered using the internet.

Source: eMarketer, May 2021
How might consumers search for phone related terms this launch season?
Phone model searches expected to surpass 2020 pre-COVID search volume

Search volume over time & forecasts: phone OEM searches

Search volume over time

Year over year comparison

1-Jan 1-Feb 1-Mar 1-Apr 1-May 1-Jun 1-Jul 1-Aug 1-Sep 1-Oct 1-Nov 1-Dec

2019 2020 2021 2021 Forecast

Proprietary Microsoft Advertising Source Data
Non-brand & generic search terms expected to return to 2019 “normal” levels

Search volume over time & forecasts: non-brand & generic search terms

Search volume over time

Year over year comparison

Proprietary Microsoft Advertising Source Data
Carrier searches expected to return to 2019 levels after a record 2020 holiday season

Search volume over time & forecasts: carrier brand terms

Proprietary Microsoft Advertising Source Data
Awareness tactics can help keep brands top of mind in the consumer journey.

% of impressions by channel & position in journey

- **Search**
  - First: 53.37%
  - Last: 35.28%
  - Middle: 11.35%

- **Native**
  - First: 91.78%
  - Last: 8.22%

% of impressions by Microsoft Audience Network workflow

- **Audience**
  - First: 89.33%
  - Middle: 10.67%

- **Search**
  - First: 94.02%
  - Middle: 5.98%

**Pro tip:** Consider the Microsoft Audience Network an especially useful tactic during a user journey's consideration phase.
More than 1 in 4 converted users were reached on the Microsoft Audience Network, with those users accounting for a higher click volume

Pro tip: Ensure a multi-channel strategy is in place to target users navigating across both Search and Native environments
A strong conquering strategy against emerging competitors coupled with remarketing audiences can help gain market share.

% of impressions by channel & audience type

- **Search**
  - Custom Audience: 42.91%
  - In-Market Audience: 44.41%
  - Other: 11.84%

- **Native**
  - Custom Audience: 69.85%
  - In-Market Audience: 13.25%
  - Other: 15.73%

**Pro tip:** Conquest against “new” competitors and build Remarketing audiences to better target lost customers or new prospects.

Proprietary Microsoft Advertising Source Data April – June 2021
Pervasive 5G and emerging technologies
5G search interest has increased greatly over the past three years

Search volume over time: 4G vs. 5G

Nearly three quarters (73%) of U.S. consumers believe that 5G will have a positive or somewhat positive impact on their daily lives when compared to 4G.
5G search interest has increased year over year after 2020 grew exponentially

Search volume over time & forecasts: 5G

![Search Volume](image)

![Year over year comparison](image)

Proprietary Microsoft Advertising Source Data
Most U.S. consumers are open to the adoption of 5G

Consumer sentiment toward 5G

Would you consider switching your internet provider and/or mobile phone carrier this year in order to have 5G?

- Yes: 31%
- Maybe: 23%
- No: 46%

If you were guaranteed to never experience speed or connectivity issues again, would you pay more for 5G?

- Yes: 30%
- If 5G were more affordable, I would: 13%
- No: 57%

Would fast and reliable 5G make you more likely to purchase additional home connected devices?

- Yes: 30%
- Maybe: 44%
- No: 26%

SYKES Survey Research, February 2020
Respond to search trends in native
Amplify marketing for high demand products & services

Continued demand for home high-speed internet
Continued demand for home office technology

Respond to increased demand for technology products by reaching targeted audiences in with the Microsoft Audience Network.
Respond to search trends in native
Amplify marketing for high demand products & services

Highlight your brand & product differentiation via messaging around cost, speed, and bandwidth

Respond to user search trends showing an increase in both current and previous year device models by featuring different products & price points for user consideration
Respond to search trends in native
Amplify marketing for high demand products & services

Shop Adatum 5g Home Internet & get streaming on us for the first year. Then $6.99 after.

Activate an important consumer insight takeaway by continuing your quest to educate and differentiate from your competitors

Respond to user search trends by reaching them with messaging and promotions during a time of continually increasing demand for high-speed internet & 5G devices.
Key takeaways and recommendations

- Prepare for high consumer demand for smartphones, especially iPhones, despite chip shortages impacting supply. Expect brick-and-mortar sales to rebound and Ecommerce to sustain double digit growth.

- Anticipate increased interest in both new and old model phones this year, with a projected 22% of consumers planning to buy an iPhone this year. Consumer interest in carriers and generic terms is expected to return to pre-pandemic “normal” levels.

- Invest in non-brand keywords, as a third of smartphone searchers begin their paths with non-brand terms.

- Take advantage of growing 5G search volume. Reference emerging keywords to find gaps and opportunities for coverage.
To get actionable data, insights and best practices to help make decisions and grow your business, visit MicrosoftAdvertising.com/Insights
Microsoft Advertising. Great relationships start here.