



MICROSOFT ADVERTISING

The new age of Telecommunications



Microsoft Advertising. Great relationships start here.

Third party research

What is the current demand for smartphones?

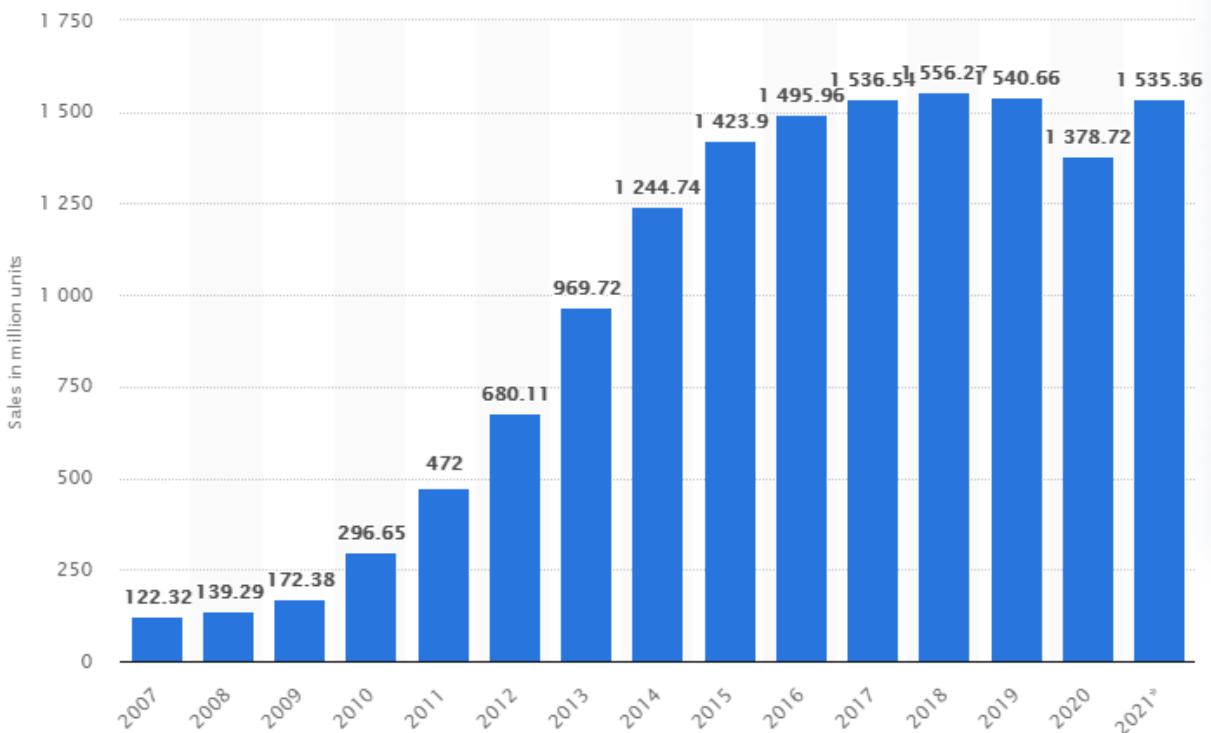


Consumer purchase intent for iPhones is at its highest in five years

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.

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



2021 5G smartphone sales expected to increase by 404% over 2020



Shipments
up **530%**
from 2020

106M 5G handsets
expected to ship in 2021
equating to **\$61 billion**

"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."

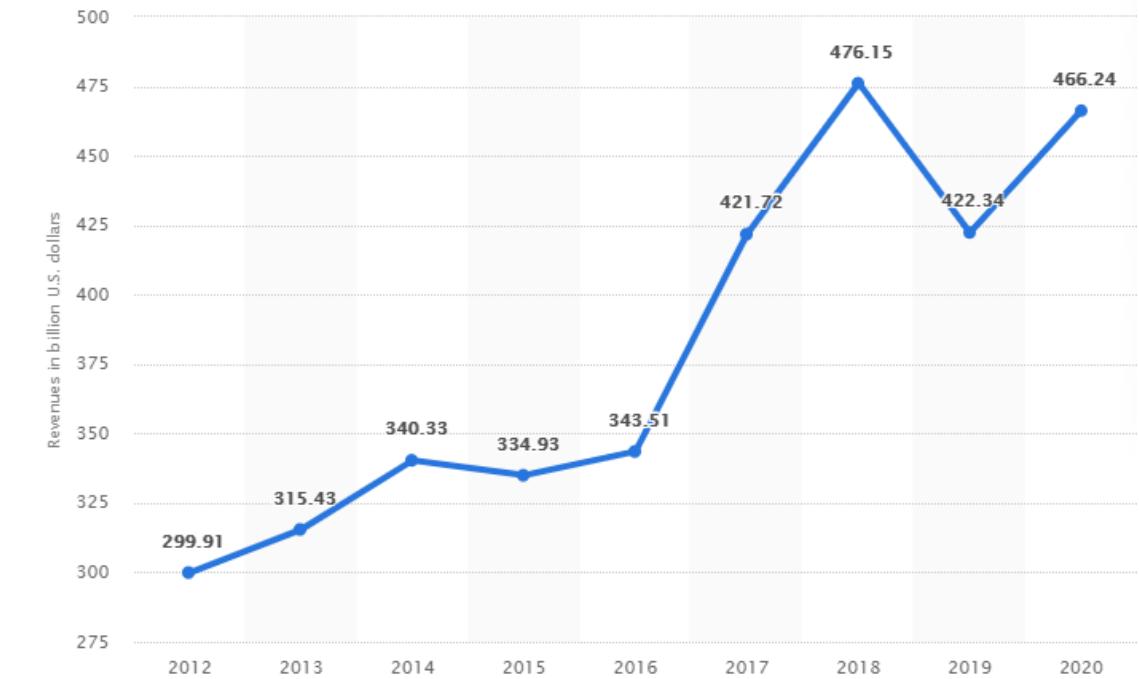
~ Rick Kowalski, director of industry analysis and business intelligence at the CTA

In the first month of 2021, global semiconductor applications like 5G amounted to more than 40 billion U.S. dollars in sales

Global spending on devices (PCs, tablets, mobile phones, and printers) from 2012 to 2022
(in billion U.S. dollars)

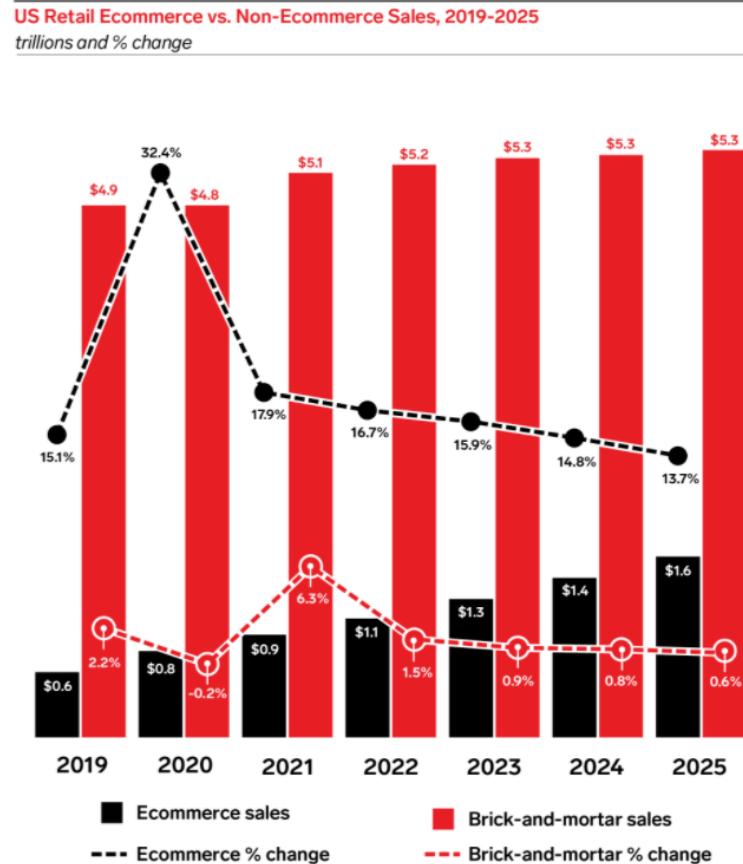


Semiconductor industry revenue worldwide from 2012 to 2020
(in billion U.S. dollars)



Brick and mortar sales are projected to rebound significantly, while Ecommerce is expected to sustain double digit growth

Retail Ecommerce predictions



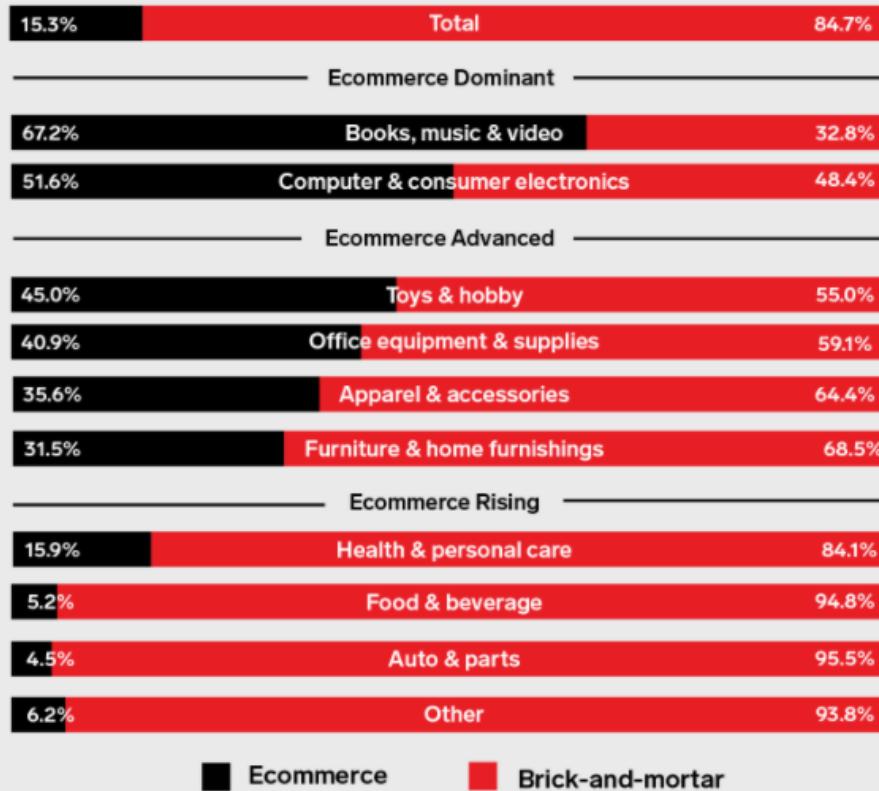
Note: includes products or services ordered using the internet, regardless of the method of payment or fulfillment; excludes travel and event tickets, payments such as bill pay, taxes, or money transfers, food services, and drinking place sales, and gambling and other vice good sales; brick and mortar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

Source: eMarketer, May 2021

[US Ecommerce Forecast 2021 - Insider Intelligence Trends, Forecasts & Statistics \(emarketer.com\)](https://www.emarketer.com)

Retail Ecommerce Sales Share in the US, by Product Category

% of total retail sales in each category



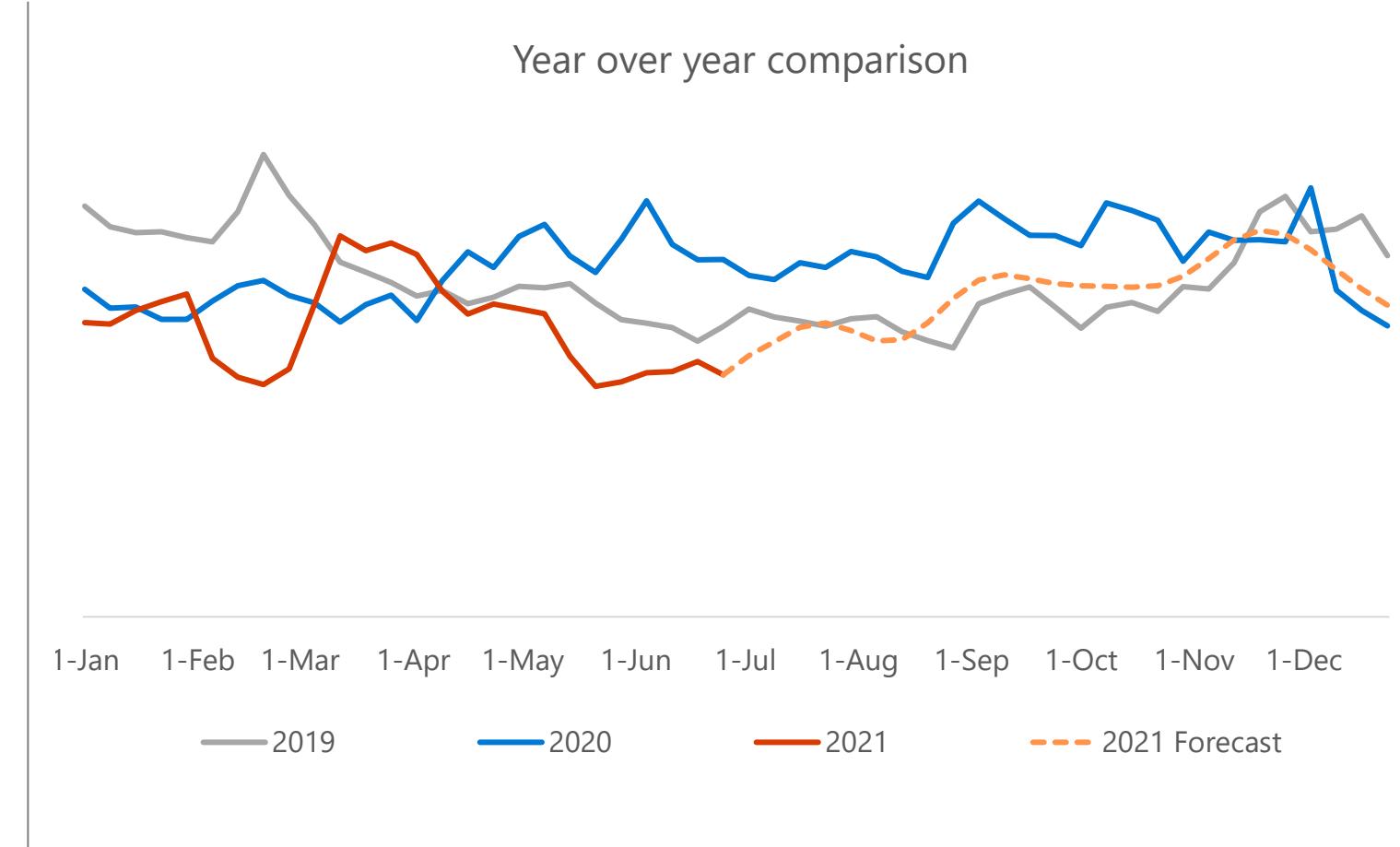
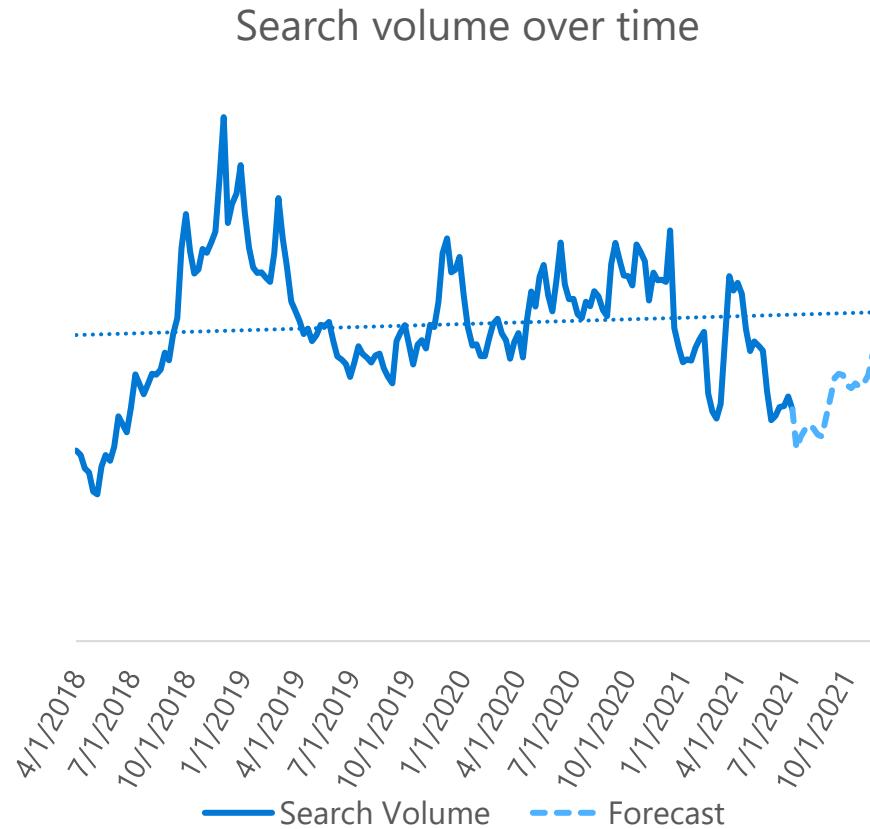
Forecasts and query trends

How might consumers
search for phone
related terms this
launch season?



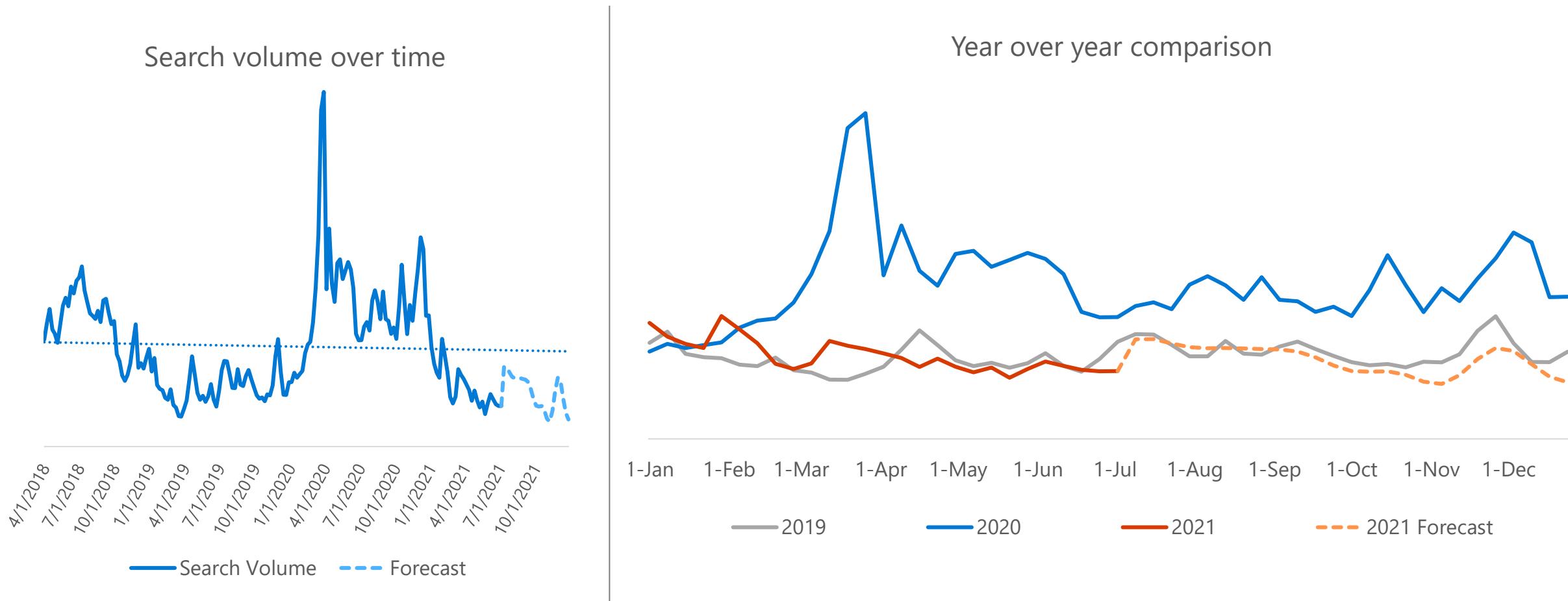
Phone model searches expected to surpass 2020 pre-COVID search volume

Search volume over time & forecasts: phone OEM searches



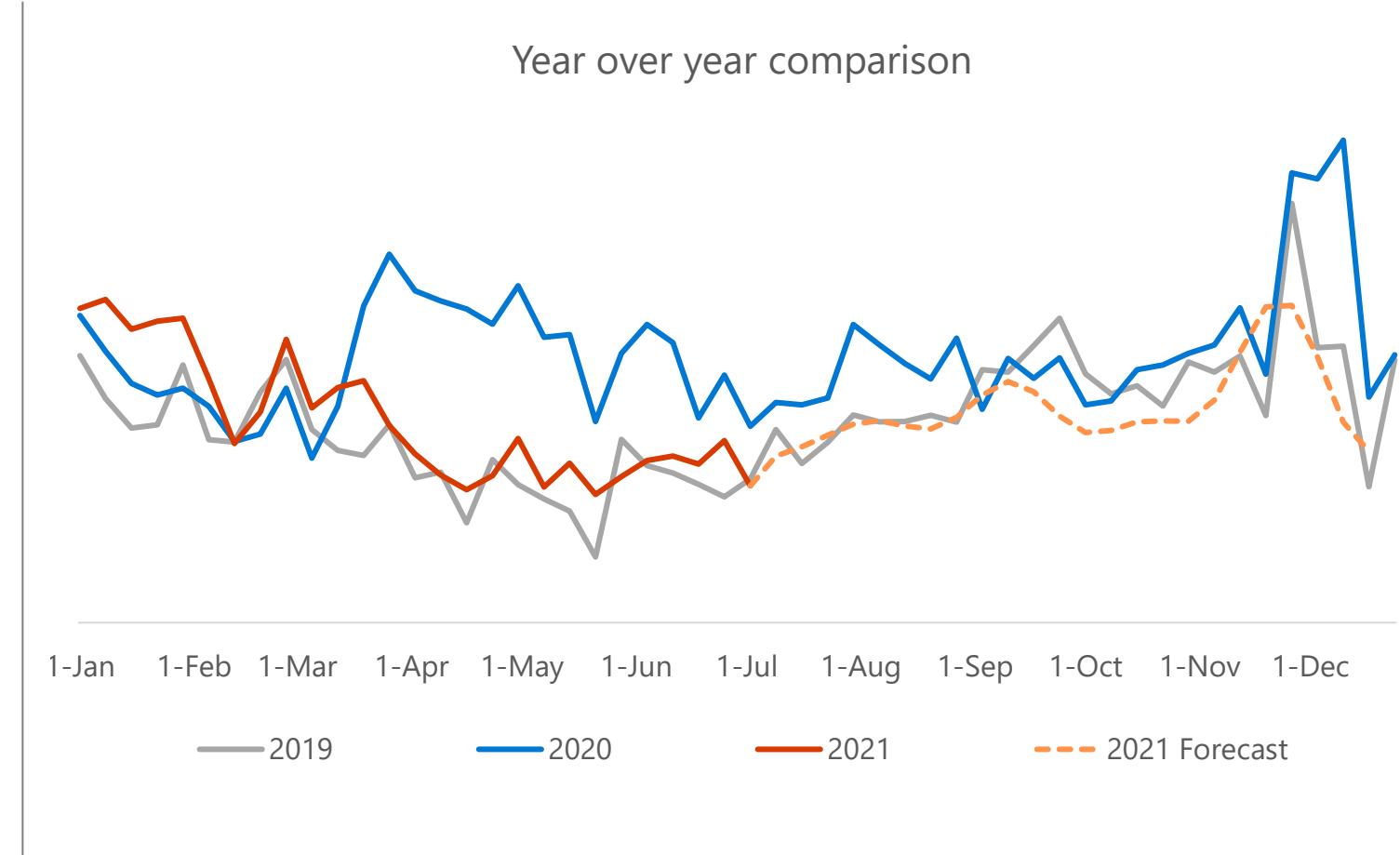
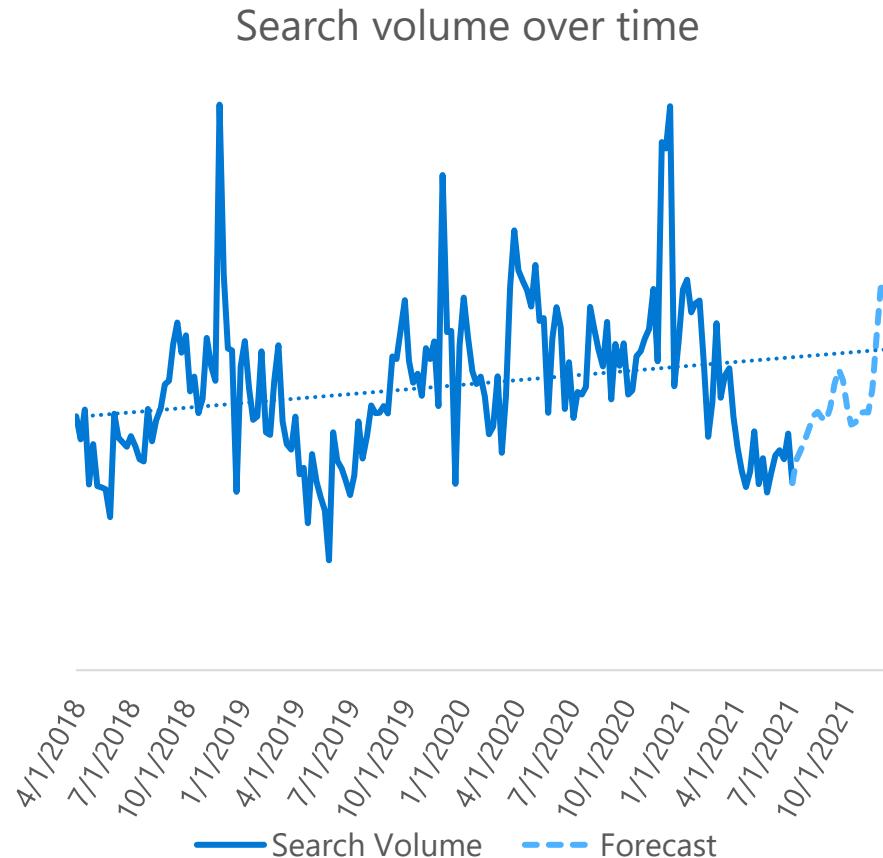
Non-brand & generic search terms expected to return to 2019 “normal” levels

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



Carrier searches expected to return to 2019 levels after a record 2020 holiday season

Search volume over time & forecasts: carrier brand terms

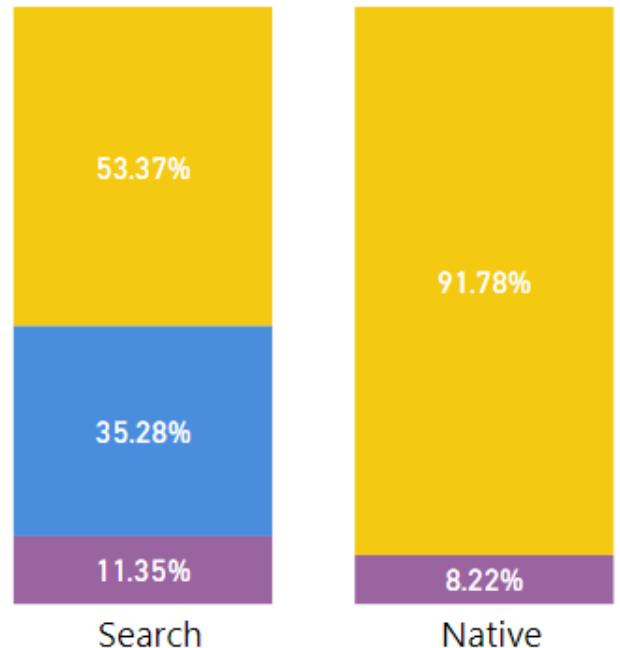




Awareness tactics can help keep brands top of mind in the consumer journey

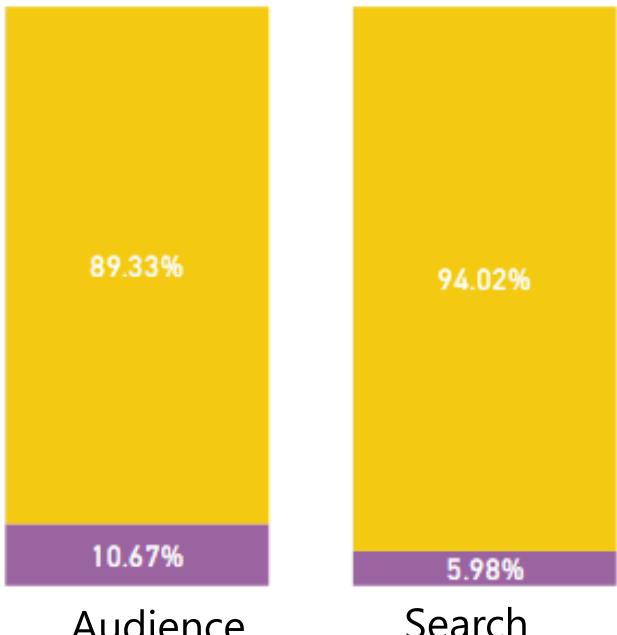
% of impressions by channel & position in journey

Position in Journey ● First ● Last ● Middle



% of impressions by Microsoft Audience Network workflow

● First ● Middle

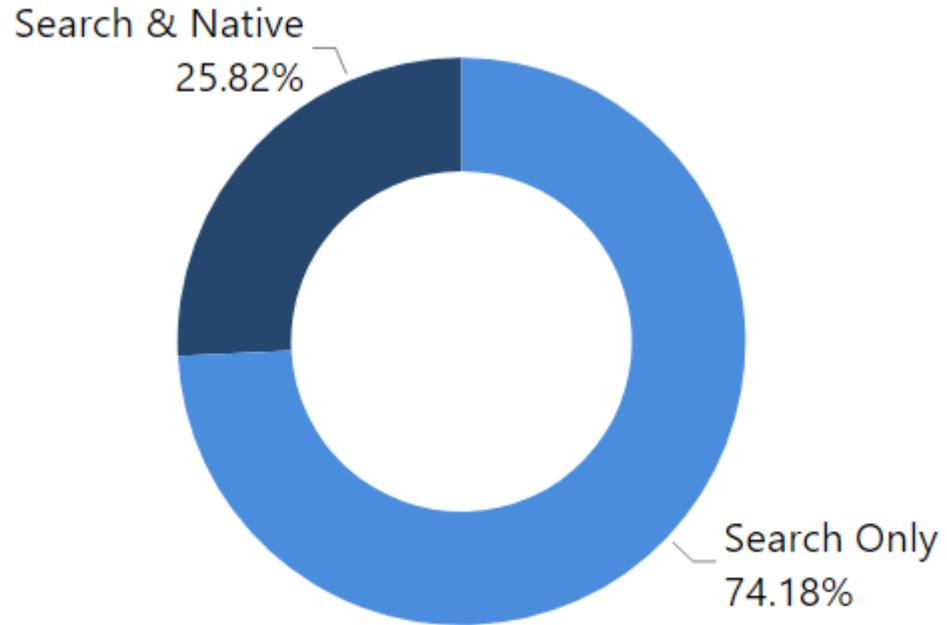


Pro tip: Consider the Microsoft Audience Network an especially useful tactic during a user journey's consideration phase

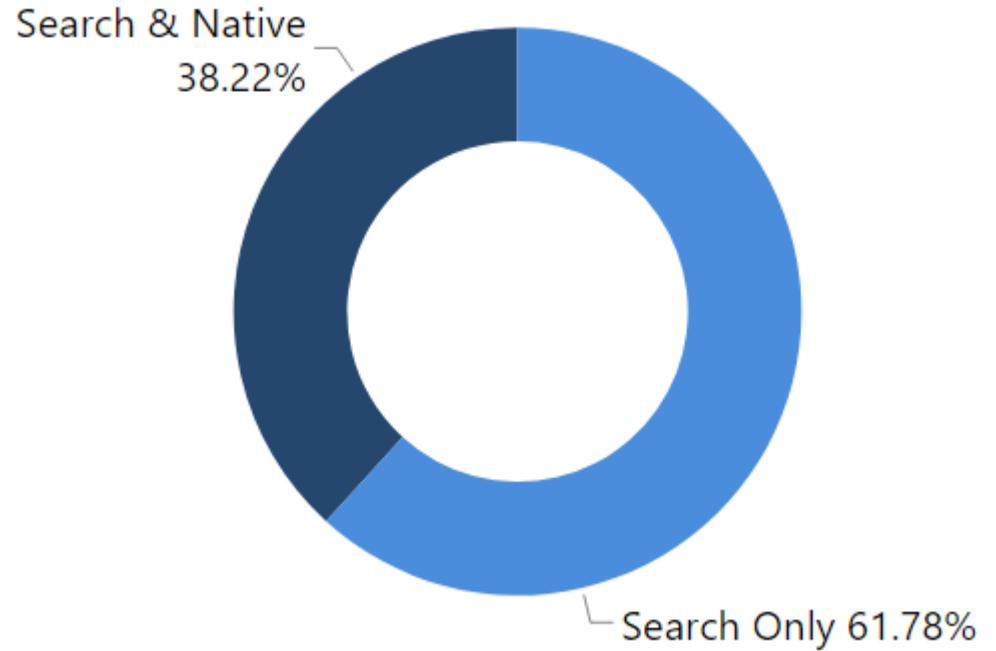
More than 1 in 4 converted users were reached on the Microsoft Audience Network, with those users accounting for a higher click volume



% of unique users by path channel mix



% of total advertiser clicks by user's path channel mix

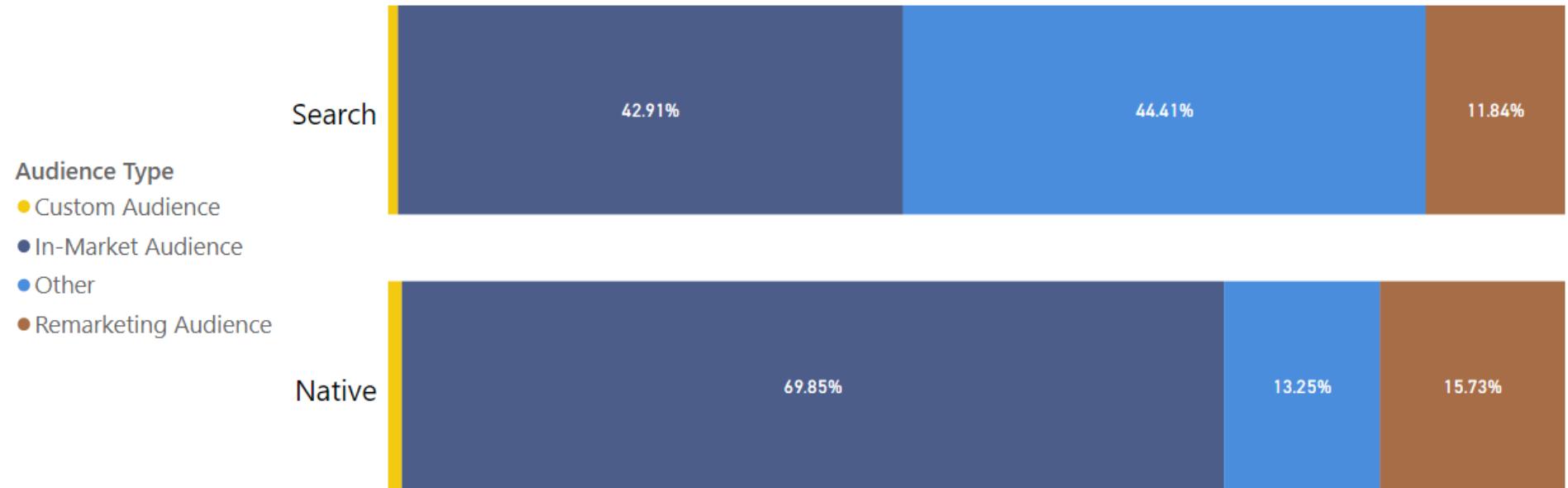


Pro tip: Ensure a multi-channel strategy is in place to target users navigating across both Search and Native environments



A strong conquering strategy against emerging competitors coupled with remarketing audiences can help gain market share

% of impressions by channel & audience type



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

The new age of Telecommunications

Pervasive 5G and emerging technologies

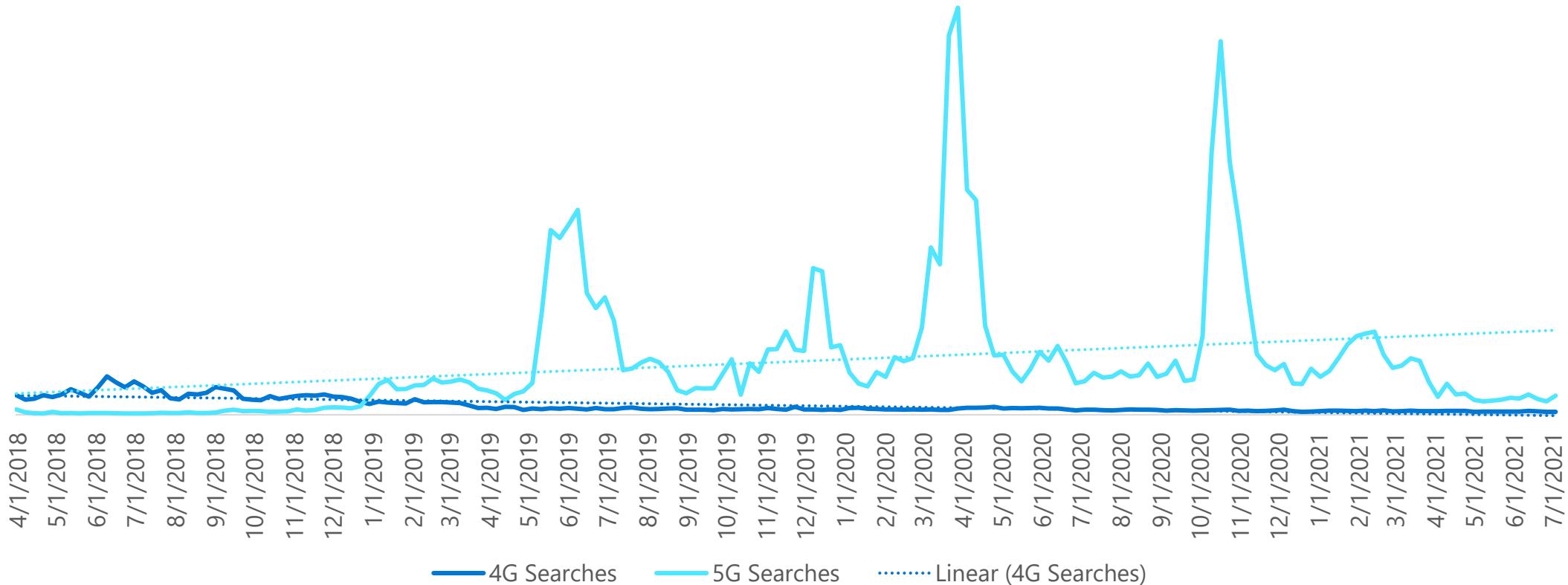


5G search interest has increased greatly over the past three years

Search volume over time: 4G vs. 5G

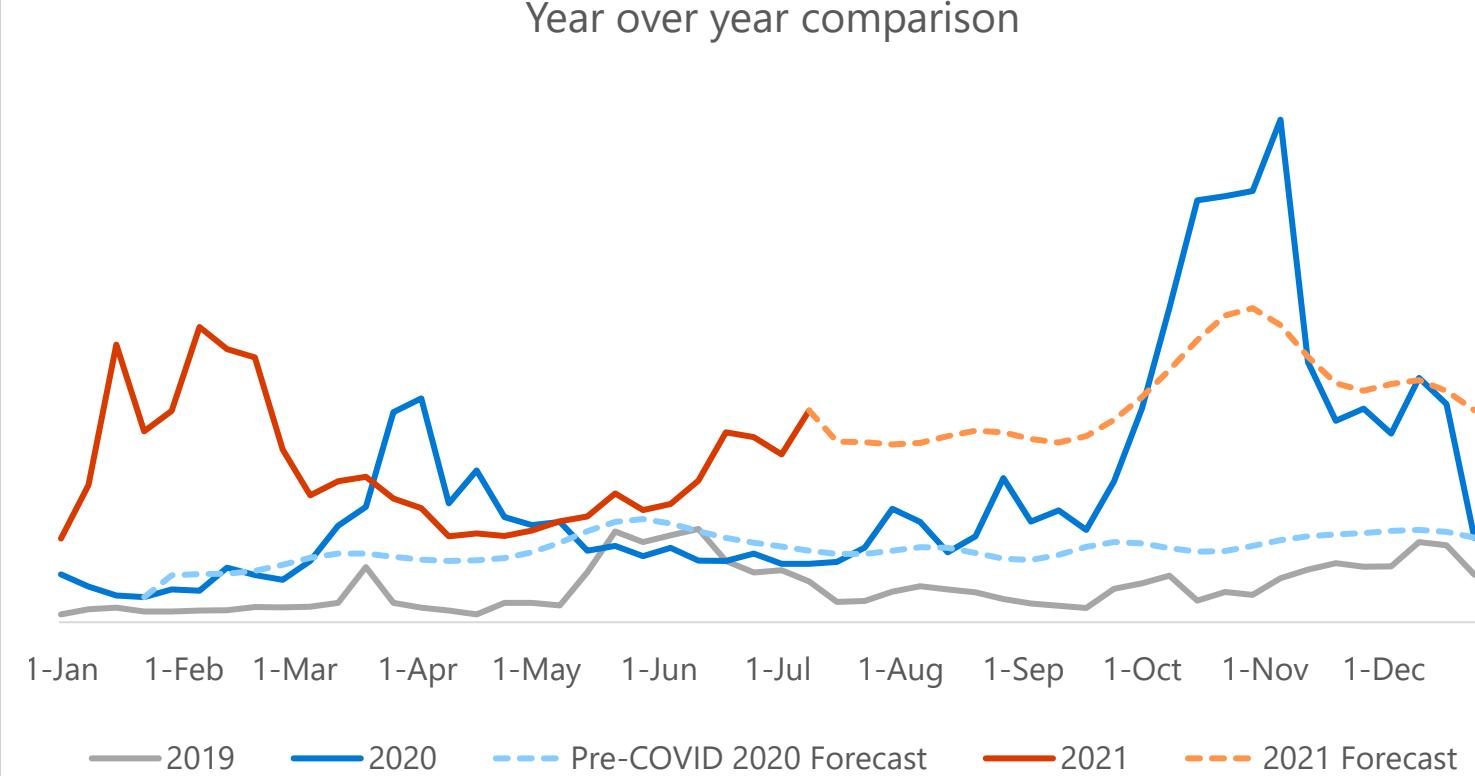
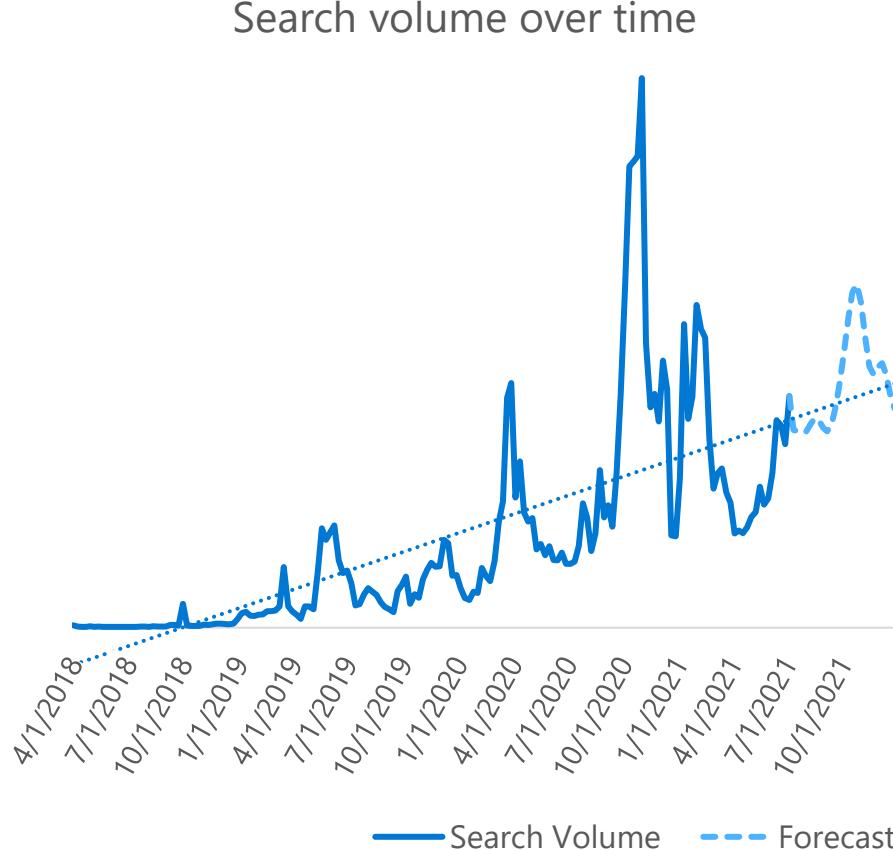


Nearly three quarters (73%) of U.S. consumers believe that 5G will have a positive or somewhat positive impact on their daily lives when compared to 4G.



5G search interest has increased year over year after 2020 grew exponentially

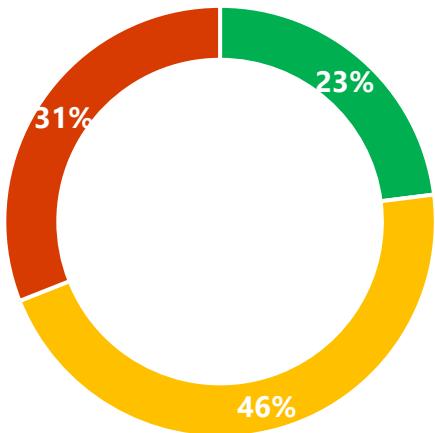
Search volume over time & forecasts: 5G



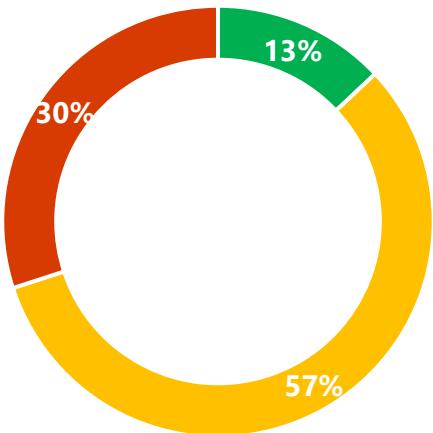
Most U.S. consumers are open to the adoption of 5G

Consumer sentiment toward 5G

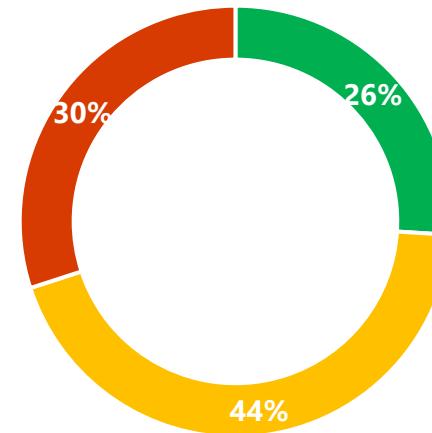
Would you consider switching your internet provider and/or mobile phone carrier this year in order to have 5G?



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



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



Respond to search trends in native

Amplify marketing for high demand products & services

A woman in a grey blazer and pink top is sitting at a desk, working on a laptop. A suitcase is next to her. The background shows a window and some plants.

Great Value, Unlimited Speed, Fibre Broadband.
Order from The Phone Company today.

Ad The Phone Company

Home Fitness Technology

Build healthy habits and have fun as a family with our activity trackers.

Ad Contoso

Huge Savings on Home Office Computers

Shop Last Chance Pricing Right Now. Top Rated PC and Home Office Equipment.

Ad Contoso

Continued demand for home high-speed internet

Continued demand for home office technology

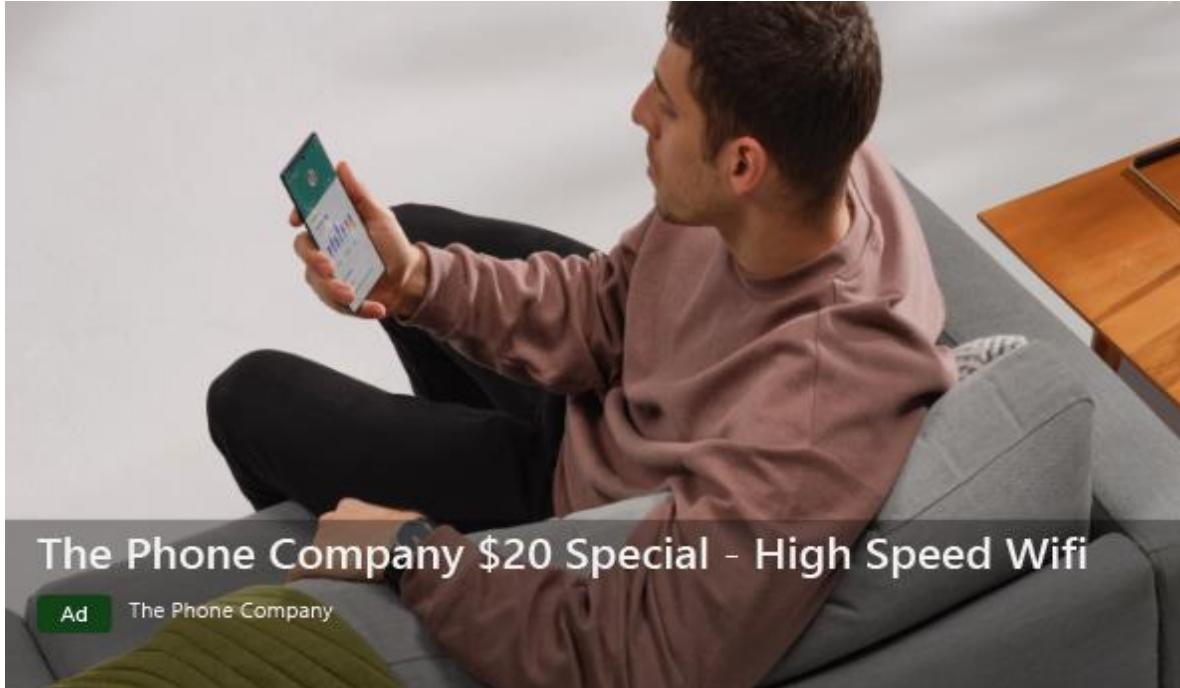
Continued demand for home fitness technology



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



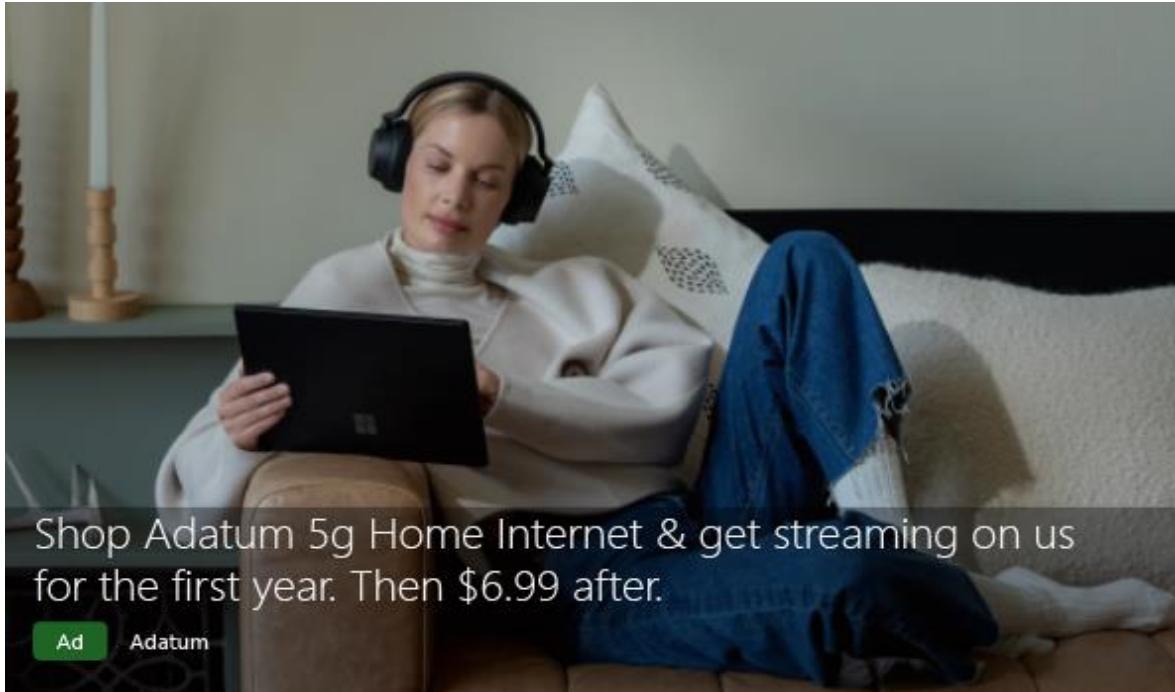
Highlight your brand & product differentiation via messaging around cost, speed, and bandwidth



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.

Ad Adatum

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





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