



# NBCUniversal

Telecom Category Insights

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# Telecom in Times of Crisis

A Look Back at Relevant Times

## 2008 Recession

### Past Consumer Behavior

Over the past few decades, wireless services have become an increasingly vital utility for consumers and businesses alike. Regardless of income, people rely on mobile communication and internet connectivity at work and at home, which positions the industry well during a recession. When the economy dipped in 2008, typically static churn rates rose by 15% as consumers sought more affordable and flexible payment options giving brands an opportunity to acquire customers and gain market share.

### Successful Brand Response

Even when times are bad, people can't do without their cell phones. The Great Recession proved that a weaker economy accelerates already declining telecom businesses, but will not slow down consumer adoption of innovative technology (smartphones) or emerging trends (i.e. data usage). While carriers cut costs in their landline phone divisions, most doubled down on their burgeoning wireless and broadband businesses proving a recession can be a catalyst for transforming their business. In 4Q of 2008, AT&T and Verizon reported stronger than ever sales of their new data and TV services, while smaller brands like Sprint Nextel and T-Mobile gained share by offering more affordable traditional services.

### Learnings

Economic downturns come and go, but the basic human need to communicate and connect with the online world continues to intensify. Reliable high-speed connectivity has become a utility rather than a luxury, and consumers are excited about the promise of 5G. If 2008 is an indicator, consumers will continue to purchase new technology that improves their lives.



# Telecom in Times of Crisis

## What We are Seeing Now

### 1. Reliable connectivity proves to be a critical utility

- Internet and wireless networks are under immense pressure to deliver reliable connectivity as schools and businesses shift day-to-day operations into the home.

### 2. Telcos step up to support customers and communities in their time of need

- To assuage customers' stress and support underserved communities, the major broadband providers – including AT&T, T-Mobile, Verizon, and Comcast – have lifted data caps, waived fees, and opened WiFi hotspots to the public.

### 3. Despite customers looking to cut costs, churn rates are expected to slow as Telco retailers temporarily close

- Retailer closures will likely disrupt subscriber growth in Q1 and Q2, as fewer customers are likely to switch carriers during this time.

### 4. Growing need for remote interactions highlights need for 5G connectivity

- Renewed reliance on teleconferencing and telehealth capabilities will provide investment justification for 5G.
- With supply chains strained, the manufacture and delivery of network equipment will likely be delayed, slowing 5G and fiber network builds.

### 5. Smart City solutions emerge as crisis management tools

- City-wide connectivity, surveillance systems, and citizen communication platforms have been adapted to meet the needs of a government in a time of crisis, likely accelerating investment in and deployment of Smart City technology.

# Frequently Asked Questions

## 1. How are Telco brands altering their creative and messaging given the dynamics of this crisis?

As stores remain closed limiting mobility sales, Telcos are promoting the power of connectivity, while demonstrating how they are supporting the people and sectors on the front lines battling COVID-19.

As more of the population sits at home dreaming of a brighter tomorrow, brands can inspire us with the promise of how 5G will provide a safer, smarter, and more connected future.

## 2. How do I find my audiences with the changes in consumption and the loss of sports and tentpoles?

Yes, all major sports and live events are on hiatus for the time being, but viewership is up across all demos and platforms. It's important to continue the dialogue with consumers to maintain brand consideration and market share.

NBCU offers the scale and products to effectively reach the masses, or precisely target and/or cross-sell strategic audiences for all of your LOBs.

## 3. How is NBCU partnering with clients in my category to manage through this time?

Creating strategies focused on ways to **maintain, secure, and thrive** on an ongoing basis.

# Navigating the COVID-19 Crisis

Connecting the World When We Need it Most

## 1. Keeping the World Connected and Entertained

- Highlight how the strength of your network is keeping consumers connected when we're all forced to be apart
- Take advantage of increased linear and OTT viewership, gaming, and at-home workers to promote video services, OTT apps, and broadband services
- Mobile B2B products and services are in high-demand, target BDMs and TDMs as they focus on maintaining their business. Consider increased spends for this LOB given the heightened attention and demand.

## 2. Serving the Greater Good

- Showcase how your network and products are supporting the individuals and industries on the front lines battling the crisis, as well as public servants keeping us afloat
- Demonstrate how Smart City solutions (e.g. citizen communication platforms) have helped communities stay safe and informed
- Air PSAs or consider offering paid media to not-for-profit orgs and public-service initiatives

## 3. The Promise of 5G

- Pivot from promotional offers and lower funnel tactics to brand messaging and 5G positioning
- People look towards technological innovation for hope during bleak times; showcase how 5G will improve our lives within areas relevant to the crisis (e.g. healthcare, education, business, infrastructure, supply chains, etc.)

# We're Here to Help

In these challenging times

Beyond your Sales contacts, we have people in Insights and Measurement, Strategy and Marketing to help you with solutions and data.



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