Telecom landscape
What we are seeing and hearing across the industry

The Race to 5G Connectivity

Though the full functionality is still years away, MNOs invest billions to lead the pack in 5G for consumers & businesses.

Low Churn + declining ARPU

Historically low churn rates and declining ARPU have impeded U.S. growth among the top carriers, despite the meteoric rise of data usage, mobile video, and text.

Shift to Adjacent Businesses

With the U.S. telecom market fully saturated (96%), carriers pursue growth outside of mobility markets.

Mergers & Acquisitions

With T-Mobile merger with Sprint, Verizon’s acquisition of TracFone, and DISH’s acquisition of Ting, the Telecom industry continues to consolidate.

Steady Rise of Pre-paid Carriers

Savings and flexibility continue to drive consumers to more affordable pre-paid plans and MVNO brands.
Telecom marketing trends
How telco brands are evolving their approach

MNOs focus on 5G
As 5G launches in cities around the U.S., MNOs tout their their 5G superiority to conquest customers

Double down on sponsorships
A small (in #) but fiercely competitive category continues to sponsor big moments, events, and marketing properties

Data-driven targeting
With low churn rates and new products/services to cross-sell or up-sell, Telcos increasingly lean into data and advanced targeting to gain new customers

Following Viewer Consumption
Advertisers are reacting to evolving consumption patterns and modernizing their marketing mix to include all platforms, screens, & devices

MVNOs/PrePays Differentiate
To compete with the MNOs, most smaller carriers focus on price/savings while some look to carve out distinct brand identities to emphasize simplicity, flexibility, & value
Telcos are evolving how they partner with NBCU
Solving modern business challenges across NBCU

Shifting to Match Consumption
Digital investment is up 12% YoY, and CODE is up 50% as wireless carriers chase consumers across fragmenting platforms and adjust their mix accordingly.

Storytelling & Sponsorships
Live sports & tentpoles remain key strategic pillars to establish brand equity, while branded content utilizing talent & IP allow brands to articulate their story.

Data-driven Targeting
Telecom’s spending in AdSmart is up 84% YoY, showing the category is leaning into leveraging data to more precisely cross-sell and upsell consumers.
But we understand Pre-Paid marketers face a unique set of business challenges

A Domineering Oligopoly

- The Big 4 wireless providers account for over 75% of all wireless subscriptions, and 70% of telecom ad spend
- Huge market caps come with powerful marketing budgets that lead to nearly universal brand awareness.

Niche Consumers

- MVNOs attract more defined audiences, but targeting usually comes at a premium
- Brand building tentpoles, sponsorships, and content is critical to scale but expensive

Less Established Brands

- Due to their focus on price & savings, brands struggle to drive consideration & loyalty
- Only 9% of consumers think MVNOs are high quality, vs. 22% for post-paids.

Pre-Paids/MVNOs appeal to a distinct audience that requires tailored creative and more precise targeting.

7 in 10 wireless customers subscribe to one of the Big 3 carriers. Dozens of MVNO providers compete for just 30% of the current market.

The pool of potential customers is relatively small. However, that pool skews towards a very specific audience:

- 30% Pre-paid
- 70% Post-paid

- Price conscious
- HHI <$60K
- Adults 18-49
- Single Line Plan

Smaller brands drive conversion more quickly than major carriers, but brand awareness remains low

<table>
<thead>
<tr>
<th></th>
<th>MNO Post-Paid</th>
<th>MNO Pre-Paid</th>
<th>MVNO Pre-Paid</th>
</tr>
</thead>
<tbody>
<tr>
<td>Awareness</td>
<td>88.9%</td>
<td>64.6%</td>
<td>57.4%</td>
</tr>
<tr>
<td>Favorability</td>
<td>14.5%</td>
<td>3.7%</td>
<td>12.1%</td>
</tr>
<tr>
<td>Consideration</td>
<td>19.8%</td>
<td>5.7%</td>
<td>8.7%</td>
</tr>
<tr>
<td>Purchase Intent</td>
<td>10.4%</td>
<td>2.5%</td>
<td>1.7%</td>
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NBCU has proven solutions for Pre-Paid brands

We’ve combined industry insights with our own internal learnings, and lined them up against your objectives to develop custom solutions to your challenges

1. Advanced Targeting Across All Platforms
2. High-Impact Marketing & Sponsorships
3. Custom Measurement & Attribution
Advanced Targeting Across All Platforms
Telecom is one of AdSmart’s fastest growing category
Since 2017, the Telecom category has had the largest increase in investment on NBCU’s advanced targeting products across 16 wireless brands

Growth of Investment in AdSmart by Category
since 2017 ($ millions)

Much like the category’s overall media mix, most of Telecom’s advanced targeting investment is in linear

~80%
Optimized National
Linear

~20%
Targeted
Digital
Why Are Telcos Leaning into Advanced Targeting?

Several factors that make Telecom one of AdSmart’s fastest growing categories

1. Combat Market Saturation & Low Churn Rates
2. Rich Available Data
3. Importance of cross-selling, upselling, and conquering

Lifts across key Telecom KPIs

- +55% overall incremental conversion lift from AdSmart exposure vs. all-TV average
- +9% incremental conversion lift from AdSmart exposure vs. advertisers site traffic baseline
- +12% higher conversion rate from target vs. non-target AdSmart exposure
- +47% higher target conversion rate from AdSmart vs. all-TV exposure
- +59% higher non-target conversion rate from AdSmart vs. all-TV exposure
NBCU works collaboratively with partners to identify the optimal target and products

**Data Collection**
- Our Data
- Your Data
- 3rd Party

**Segmentation**
- Price conscious consumers
- In market for wireless carrier
- A18-49
- Dissatisfied with current carrier

**Activation**
- Merge appropriate data sets
- Build the optimal target profile(s)
- Activate your target across the NBCU ecosystem
- Measure effectiveness, optimize where possible

NBCUniversal Insights & Measurement
AdSmart Advanced Targeting & Optimization
Connecting your brand with the right consumers through the best premium content on every screen

Your Advanced Audience

Example Pre-Paid Targets:
- Price conscious wireless customers
- A18-49, HHI under $70k
- In-market wireless customers

Data-driven delivery through premium video on:

- National Linear TV
- Set-Top Box VOD
- Connected TV
- Desktop
- Mobile

Activate your way:

Managed Service or Self-Service
The Challenge
Drive Website Conversion
A major wireless provider wanted to leverage advanced targeting on linear TV to drive traffic to their website.

The Insight
Advanced TV Influences Web Traffic
The strong performance of the audience-based campaign indicates a larger opportunity for wireless providers to use advanced TV targeting to drive site traffic.

The Solution
Target High-Value Wireless Consumers via National TV
We partnered with the client to run an AdSmart national TV campaign optimized across our portfolio to reach an MRI “Connected Doer” consumer target instead of a traditional Nielsen demo.
The Results

We commissioned a Data Plus Math custom study to measure the incremental impact of the AdSmart campaign on driving website conversion vs. all-TV exposure.

Site Conversion Lift

- **+55% overall incremental conversion lift** from AdSmart exposure vs. all-TV average
- **+9% incremental conversion lift** from AdSmart exposure vs. advertiser’s site traffic baseline, **55% higher** than all-TV exposure lift
- **+12% higher conversion rate from target** vs. non-target AdSmart exposure
- **+47% higher target conversion rate** from AdSmart vs. all-TV exposure
- **+59% higher non-target conversion rate** from AdSmart vs. all-TV exposure, indicating a **strong halo effect** from the optimized campaign

Target Penetration

- **+13% target impressions lift** from AdSmart exposure vs. all-TV average
High-Impact Marketing and Sponsorship Activation
NBCU offers a wide spectrum of marketing activations

**Turn-Key**

- **Contextual Alignment**: Thematically align creative with NBCU content across platforms
- **Commercial Innovation**: Choose from a wide range of innovative ad formats & experiences designed for any need or KPI
- **Branded Content**: Create branded storytelling content to engage users on any platform
- **Asset Creation**: Develop custom ad assets using NBCU resources: writers, directors, IP, production staff
- **Sponsorship/Integration**: Align and integrate your brand within NBCU’s premium, brand-safe IP
- **Custom 360° Campaign**: Develop a custom marketing program across NBCU’s linear, digital, and social platforms

**Heavier Lift**

- NBCU-produced branded content aids consideration by 15% on average
Numerous Commercial Innovation Opportunities
Reimaging the commercial format to improve both ad viewing experience and ad performance

- Supersized Show
- Hands of the Fan
- Scripted Commercial Launch
- Social Commercial
- Brandstanding
- Show within a Show
- DIY Breaks
- Picture in Picture
- Shoppable TV
- Product Synch
- Blended In Show Open
- Going Viral
- "Hear" TV
- Talent as Influencers
- Pods with a Purpose
Two turnkey opportunities to go beyond the :30 and win customers

**Talent as Influencers**

+37%
More likely to search for brands online after ads air in NBCU Campaigns with Talent vs same brand averages

3.5
Standard ads would need to run competitively to generate the same search impact as ads airing in NBCU Campaigns with Talent

Case studies linked [HERE](#)

**Shoppable TV**

+20%
lift in brand memorability

+27%
lift in likeability

+30%
lift in conversion rate relative to benchmark

Case studies linked [HERE](#)
NBCUniversal Tentpole Programming & Events

Q4’20
- Continuity Programming
- Activations Already Spoken for by Telcos

Q1’21
- Billboard Music Awards
- Christmas in Rockefeller Center
- Comedy Central
- HBO Max
- The Tonight Show
- Today
- The Voice
- Saturday Night Live
- Saturday Night Live
- This Is Us

Q2’21
- Golden Globe Awards
- Grammy Awards
- Oscars
- BBMAs
- Met Gala
- Premier League
- Championship Sunday
- Stanley Cup Playoffs

Q3’21
- Emmy Awards
- Live From Emmys
- Champions League
- Tokyo
- USA

Q4’21
- Peoples Choice Awards
- Comic Con
- The Tonight Show
- Today
- The Voice
- Saturday Night Live
- Saturday Night Live
- This Is Us

CONTINUITY PROGRAMMING
NBCU will bring the most eventful two years in sports history to fans around the world.

<table>
<thead>
<tr>
<th>2021</th>
<th>2022</th>
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<tbody>
<tr>
<td>Jan 2 Wild Cards &amp; 1 Divisional</td>
<td>1/1 Winter Classic</td>
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<tr>
<td>3/11-14 The Players</td>
<td>Jan NFL Playoffs</td>
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<tr>
<td>Apr-Jun Stanley Cup Playoffs</td>
<td>2/6 Super Bowl LVI</td>
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<td>5/23 Champ. Sunday</td>
<td>2/4-20 Beijing Olympics</td>
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<td>5/30 Indy 500</td>
<td>Mar The Players</td>
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<td>5/1, 5/15, 6/5 Triple Crown</td>
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<td>9/22-25 Presidents Cup</td>
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Pre-paid & MVNO advertisers have partnered with NBCU to build bold & unique activations
Custom Attribution and Measurement
We can prove your NBCU investments & exposure drive performance

**Example KPIs…**

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<th>Consideration</th>
<th>Conversion</th>
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<td>Lead Generation</td>
<td>Sales Conversion &amp; Lift</td>
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<tr>
<td>Brand Association</td>
<td>Purchase Consideration</td>
<td>Attribution Modeling</td>
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<tr>
<td>Ad Recall</td>
<td>Site/Foot Traffic</td>
<td>Return on Ad Spend</td>
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An example of combining AdSmart & measurement to test a new targeting tactic for a Telco
Thank you!

Please reach out with any questions or to learn more about NBCU’s pre-paid wireless solutions.

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