



NBCUniversal

A Playbook for Pre-Paid Brands

2021

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.



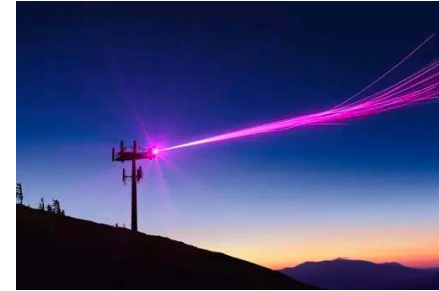
Low Churn + declining ARPU

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 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

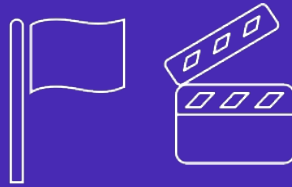
Telcos are evolving how they partner with NBCU

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

AD|SMART
from NBCUniversal

Data-driven Targeting

Telecom's spending in AdSmart is up 84% YoY, showing the category is leaning into to 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-pays.

Source: Mintel "Mobile Network Providers – US" (2020), YouGov Brand Index – 2019



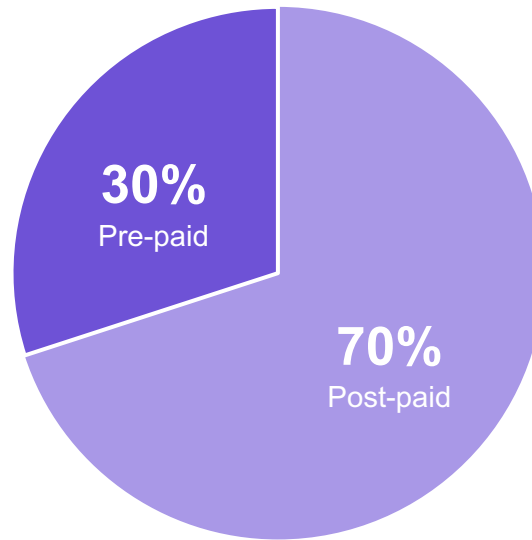
Pre-Paid/MVNOs appeal to a distinct audience that requires tailored creative and more precise targeting



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



Price conscious



HHI <\$60K



Adults 18-49

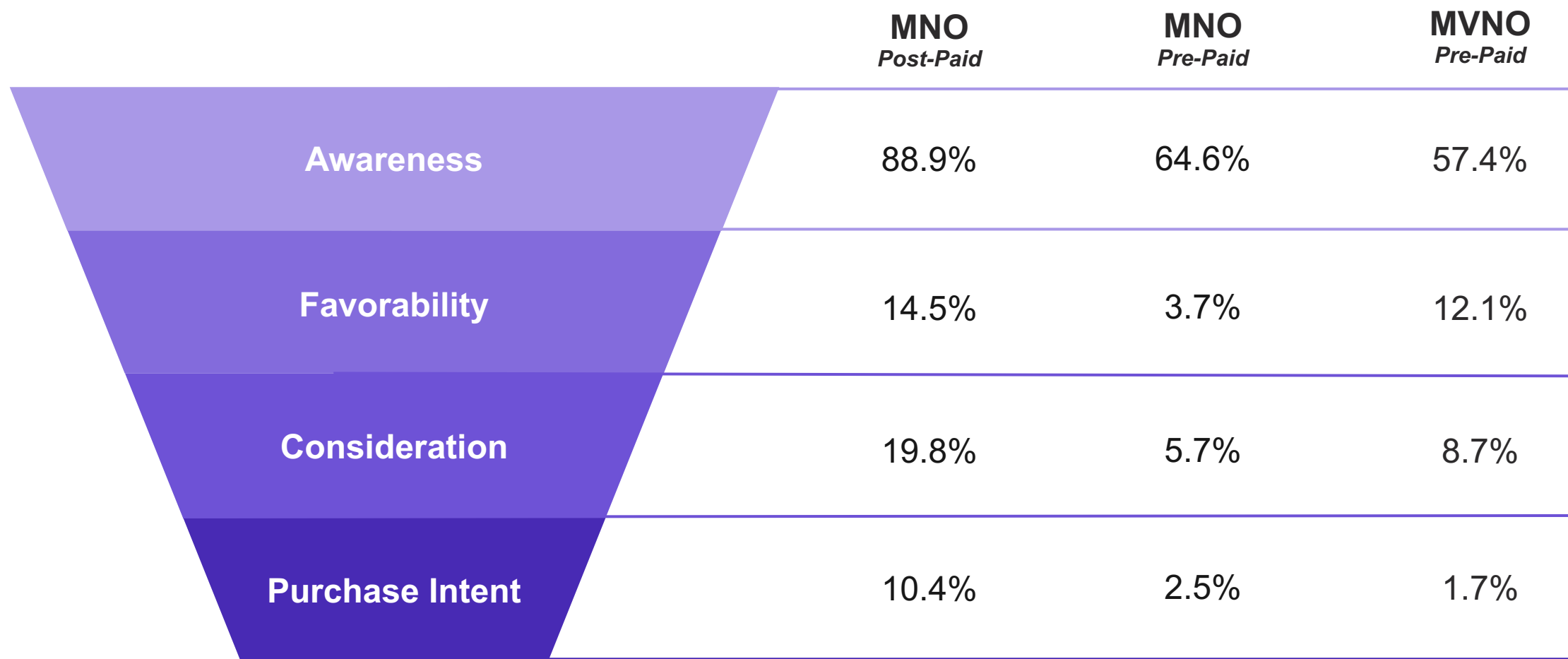


Single Line Plan

However, that pool skews towards a
very specific audience



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



Source: YouGov BrandIndex, FY 2019 Scores, total US audience

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

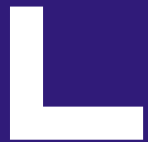
**High-Impact Marketing
& Sponsorships**

3

**Custom Measurement
& Attribution**



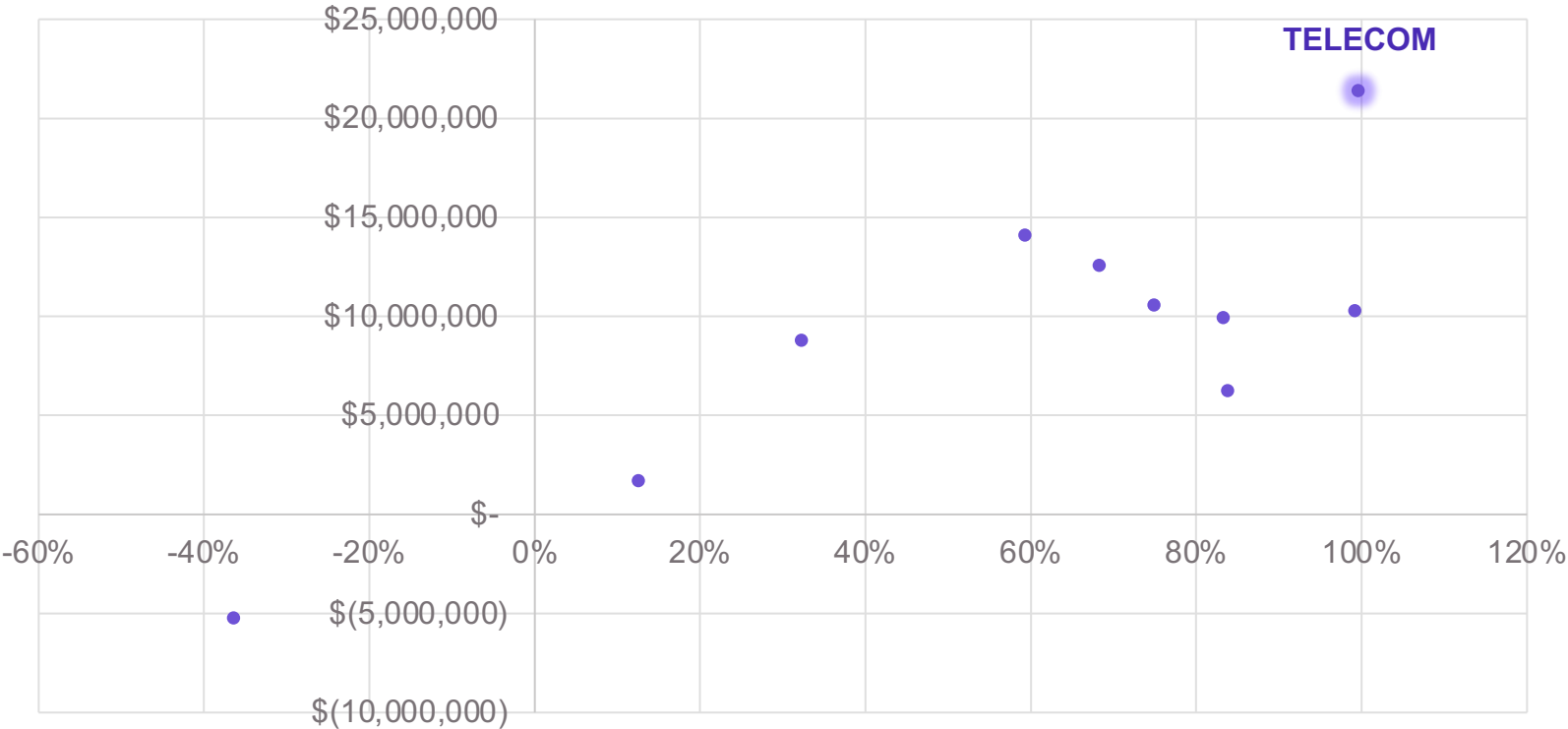
Advanced Targeting Across All Platforms



Telecom is on 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

Why Telcos are leaning into advanced targeting

1.
Combat Market Saturation
& Low Churn Rates

2.
Rich Available Data

3.
Importance of cross-selling, upselling, and conquering

Why Telcos are investing more in AdSmart

Lifts across key Telecom KPIs

+55% overall incremental conversion lift
from AdSmart exposure vs. all-TV average

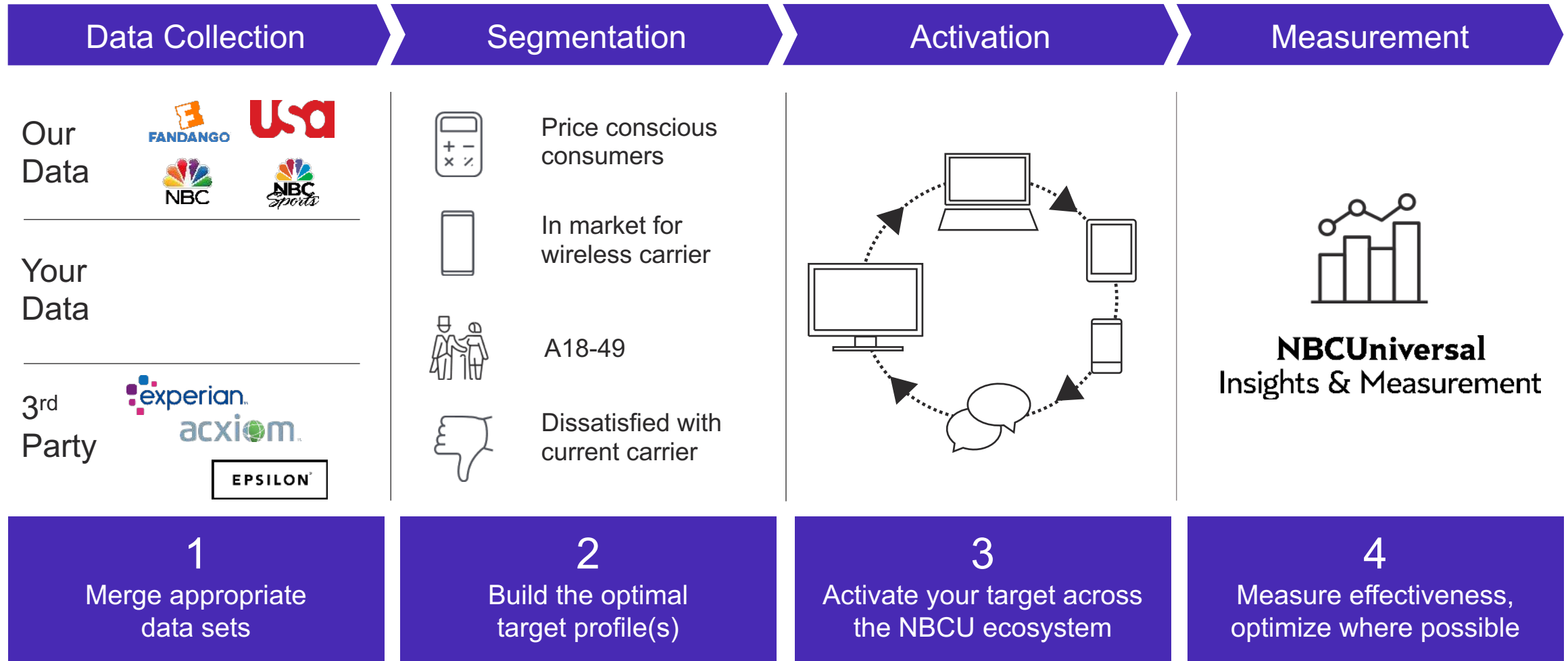
+9% incremental conversion lift
from AdSmart exposure vs. advertisers site traffic baseline

+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

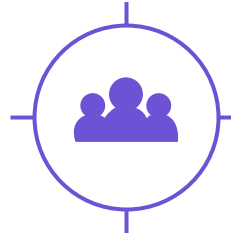
NBCU works collaboratively with partners to identify the optimal target and products



AdSmart Advanced Targeting & Optimization

Connecting your brand **with the right consumers** through **the best premium content on every screen**

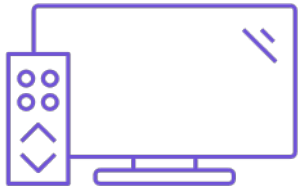
Your Advanced Audience



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



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

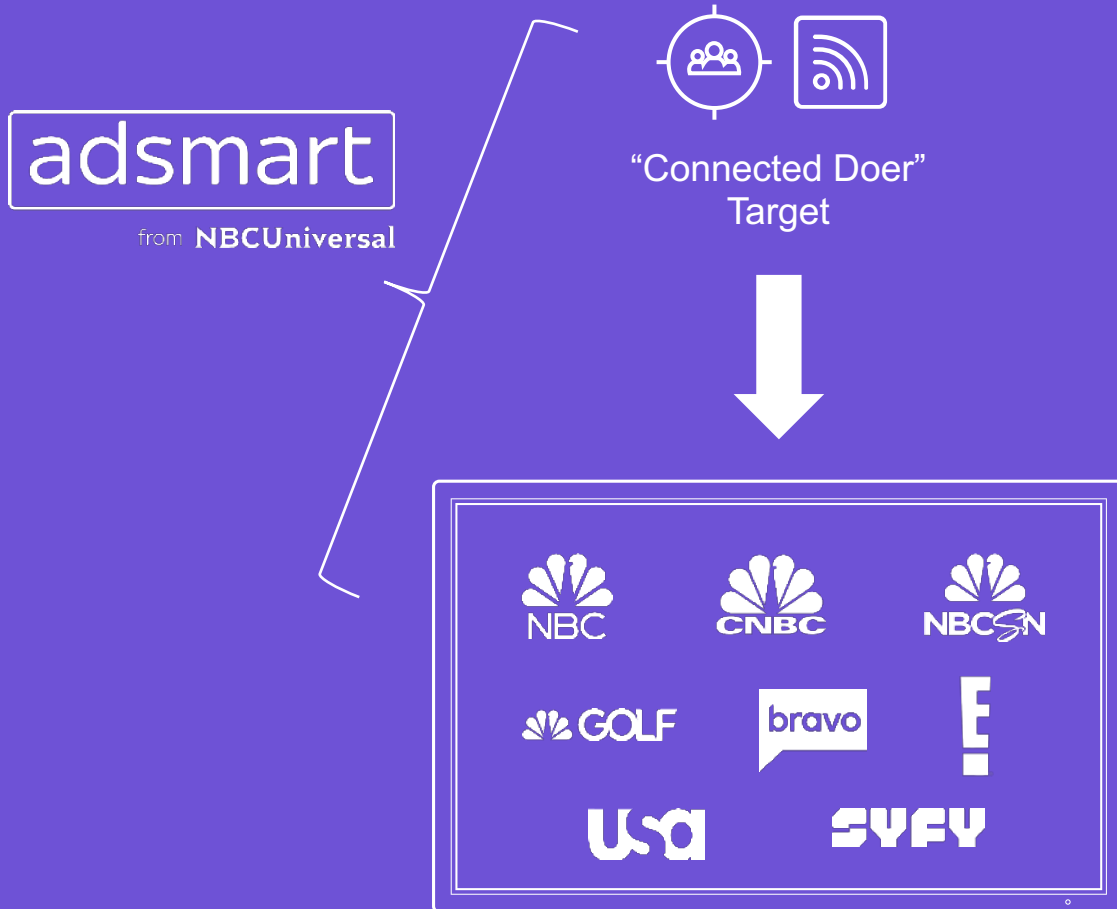
Target High-Value Wireless Consumers via National TV

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 Approach

Advanced TV targeting to reach the right consumers across NBCU's linear portfolio



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

Conversion Rate = Incremental Conversions per 1000 Impressions

High-Impact Marketing and Sponsorship Activation

NBCU offers a wide spectrum of marketing activations

Turn-Key

Heavier Lift



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

NBCU-produced branded content aids consideration by 15% on average

Numerous Commercial Innovation Opportunities

Reimagining 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



Must "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

■ Activations Already Spoken for by Telcos

Q4'20



CHRISTMAS IN
ROCKEFELLER CENTER



DOMO DEL
DINERO



NBC COMEDY
PACKAGE



the
PROFIT



SATURDAY
NIGHT
LIVE



THIS IS **US**

the
voice

Q1'21

THE
BIGGEST LOSER

EVEL

GOLDEN
GLOBE
AWARDS



NYFN

the
PROFIT

resident
alien

SATURDAY
NIGHT
LIVE

TEMPTATION
ISLAND

THIS IS **US**



the
voice

WORLD
ECONOMIC
FORUM

Q2'21



THE
KENTUCKY
DERBY



Premier
League
Championship Sunday

SATURDAY
NIGHT
LIVE



the
voice

Q3'21



DELIVERING
ALPHA

LIVE
FROM
Emmys

NYFN

THE
OPEN



the
PROFIT

Project
RUNWAY



TOKYO
2020
Olympics

Q4'21

Project
RUNWAY



PEOPLE'S
CHOICE
AWARDS



bravo CON

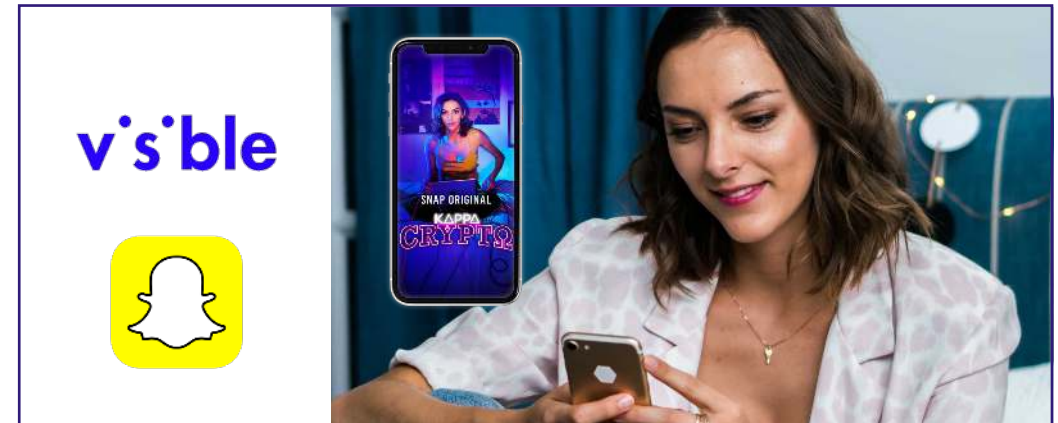
CONTINUITY PROGRAMMING



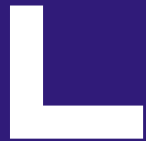
NBCU will bring the most eventful two years in sports history to fans around the world



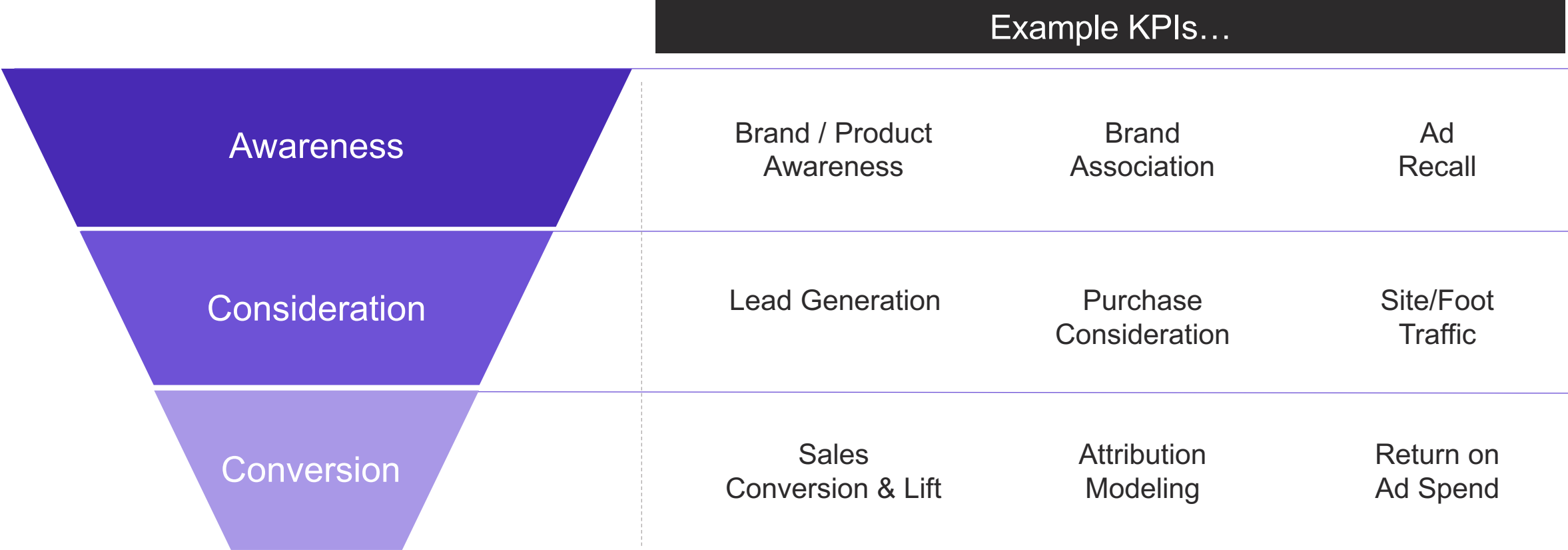
Pre-paid & MVNO advertisers have partnered with NBCU to build bold & unique activations



Custom Attribution and Measurement

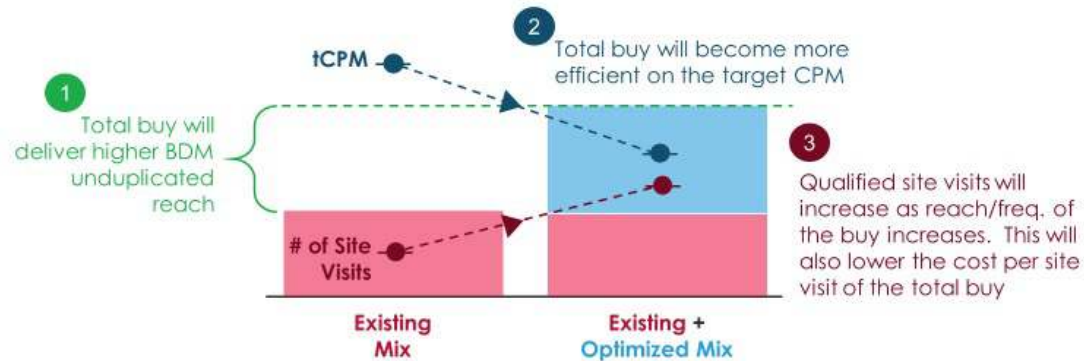


We can prove your NBCU investments & exposure drive performance

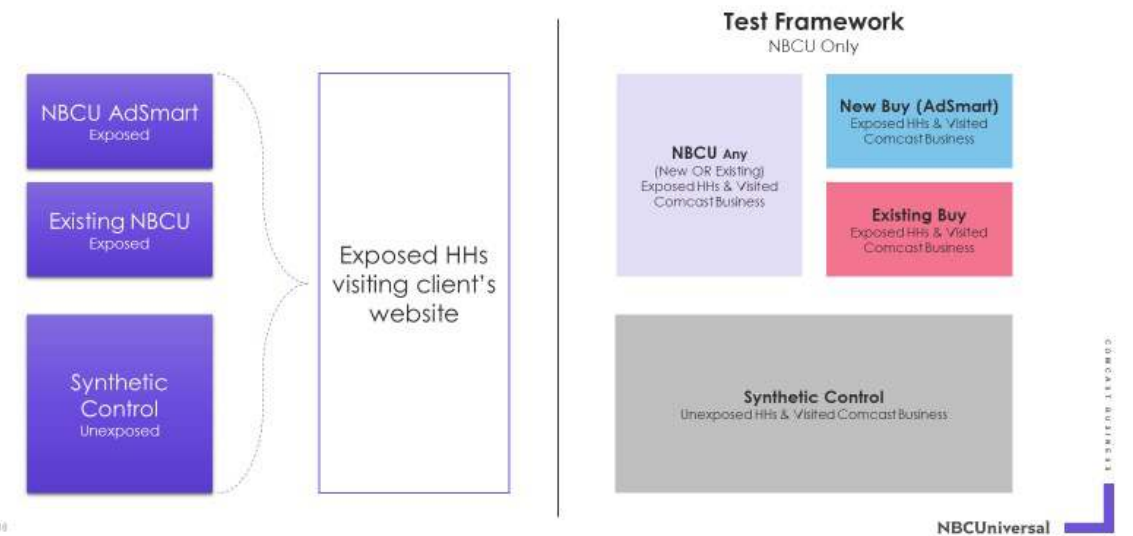


An example of combining AdSmart & measurement to test a new targeting tactic for a Telco

Our Hypothesis WHAT TO EXPECT



Measurement design



Thank you!

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

Telecommunications

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