

NBCUniversal

2022

Telco Industry Assessment



Welcome!



Introduction

Explore NBCUniversal's latest perspectives and insights into the Telco industry. This report provides an overview of recent marketplace dynamics, our prediction of key future trends impacting the industry, and strategic recommendations for Telco brands and marketers as they navigate what's next.

Our Approach

At NBCUniversal, we have a legacy of working with a diverse range of Telco partners to build their brands. This report has been created based on NBCU's:

- Ongoing Industry Evaluation
 - Conversations with Telco Advertisers and Agencies
 - Continual Marketplace Analysis
 - Examination of Consumer Attitudes towards the Telco Industry
-

NBCUniversal Has a Unique Perspective

In 2022, NBCU worked with
All Major Telco Advertisers...



**Major
Carriers**



**Alternate
Carriers**

And Telco Subcategories



Cellular



Broadband



MVPDs



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2022 Landscape

Overview Of Key Telco
Marketplace Dynamics



As providers continue to roll out
faster networks,

Consumers weigh the benefits of 5G adoption



Telcos Adjust To New Challenges And Opportunities In 2022



Consumers enjoyed faster, more reliable coverage

The recent Infrastructure Bill and Affordable Connectivity Act includes major state funding for new broadband infrastructure, and discounts for eligible homes on broadband and connected devices



Telco giants focus on CapEx

Given the fierce competition for “best provider” status, telcos shifted dollars from marketing and instead prioritized developing infrastructure necessary to win the 5G race



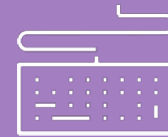
Inflation crept onto phone bills

Across nearly every major provider, phone bills spiked. Despite the competitive market, providers see these hikes as a necessary gamble and more increases are expected in coming months



Wireless sees slowing customer growth

Following the extreme telco boom post-pandemic, customer growth numbers are expected to cool. Now, telcos are consolidating support around wireless products and focusing on upgraders for growth



Internet providers push fiber offerings

As we continue pushing out more data, broadband providers are leaning heavily into fiber-optic internet service for significantly faster download and upload speeds vs. traditional DSL and copper cabled internet

Telco Forward-looking Trends

Key Trends We Expect To Influence Telco Marketing & Media Strategies



LOOKING AHEAD,
**Key Telco Trends
We Expect to
Influence
Marketing &
Media Strategies**



5G Drives Demand for
Future-Looking Tech



B2B Opportunity with
Private Networks



Pre-Paid
Expands its Base



Broadband Gets
a Shake-Up



5G Drives Demand for Future-Looking Tech

5G is becoming increasingly necessary to unlock future technologies – from IoT to the metaverse

As development and adoption grows, 5G providers will be positioned to pursue new tech-centric partnerships, giving them renewed credibility in the tech space

There will be **4.15 billion IoT devices** connected to cellular networks globally by 2024

Additionally, by 2026, **25% of people** will spend an hour per day in the metaverse

Sources: [StarDust](#), [Gartner](#), [IOTSWorldCongress](#), [ECN](#), [Qualcomm](#)

B2B & B2C Benefits of 5G:



Increased Speeds

5G is anticipated to be ~100x faster vs. current



Reduced Latency

Time between initiating & resolving an action on a device will be 10X shorter vs. current 4G



Increased Device Capacity

5G is designed to support a 100x increase in traffic capacity & network efficiency



Improved Reliability

All improvements will result in a more consistent network performance

B2B Opportunity with Private Networks

Lured by new advanced use cases, organizations are evaluating adoption of private cellular networks – provided by companies whose origins are increasingly rooted in big tech

Private 5G networks allow large enterprises and customers to bring custom-tailored 5G experiences to facilities where high-speed, high-capacity, and low-latency connectivity are crucial

With many tech brands entering this space, competition among traditional and non-traditional providers will likely drive investment in marketing these new products to target business decision-makers



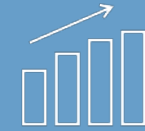
By 2030, the private 5G network market size is estimated to generate

+\$31B



70%

of businesses will use the intelligent edge – tech enabled by private 5G networks – by 2023



748

private network deployments in enterprises worldwide in Jan 2022, up nearly 43% since Sept 2021

Which Providers are Competing for this Revenue?

 Microsoft

aruba

aws

 Geoverse

 ERICSSON


CISCO

Pre-Paid Expands its Base

In times of economic uncertainty, more diverse consumer groups will look to take advantage of these plans' low cost and flexibility

With historic inflation and the threat of a recession, the growth of pre-paid is expected to escalate, facilitated by a host of attractive alternate providers

To answer demand, providers may shift marketing dollars to promote pre-paid offerings, often in the form of acquired brands e.g., Metro by T-Mobile or AT&T's Cricket Wireless

Sources: [Mintel](#), [S&P Global](#)

Pre-paid carriers will continue ramping up reach among Hispanic and lower-income consumers as post-paid raised prices for the first time in years...

37%

of Hispanic consumers have a pre-paid wireless plan, more than any other ethnicity



48%

of consumers making below \$25K per year have a pre-paid wireless plan

...While additionally tapping into seniors whose preferences are often suited for pre-paid service

1

Many are more comfortable with data caps and slower speeds

2

Many are more comfortable with older, non-5G devices

3

Many aren't interested in bundles e.g., streaming services

Broadband Gets a Shake-Up

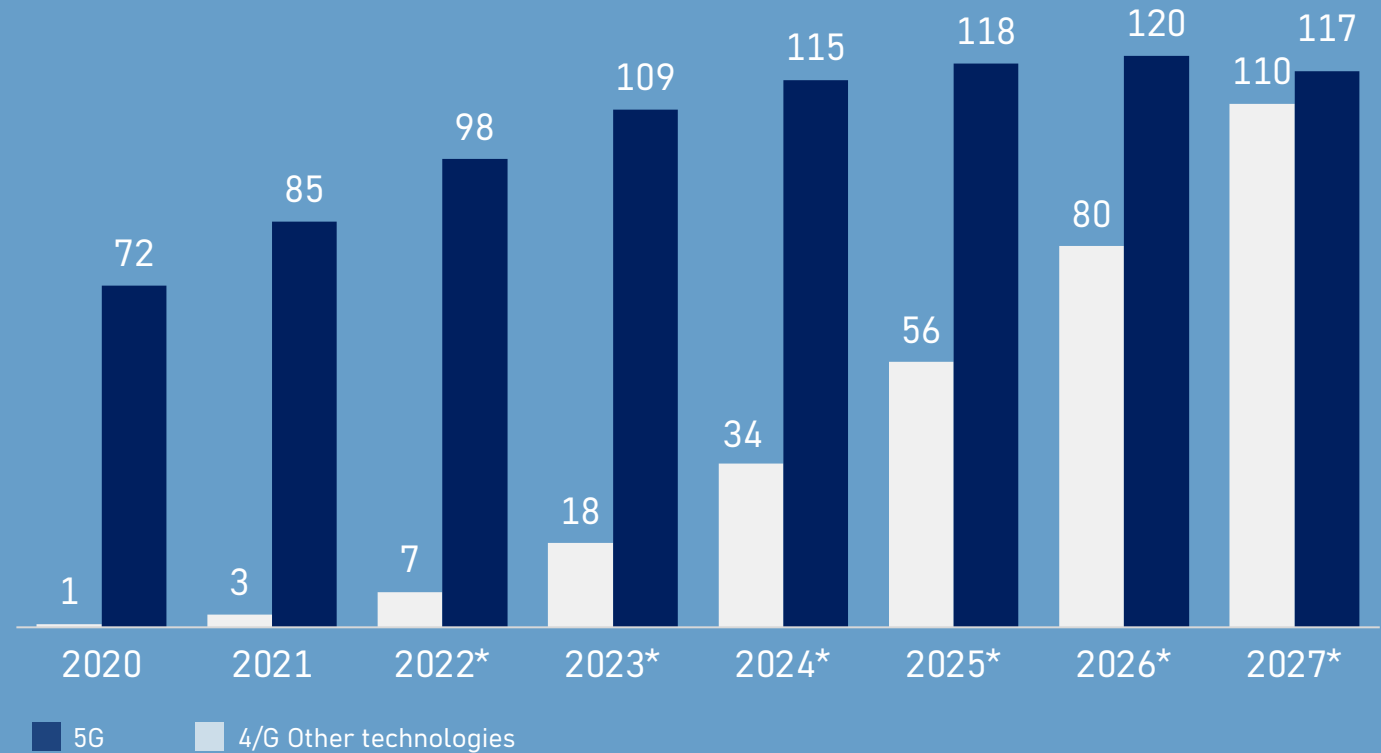
Beyond fiber optic, consumers are increasingly interested in innovative broadband technologies such as fixed wireless

As revenue growth slows in the category, operators will diversify offerings with both fiber and fixed-access – adding new sources of incremental revenue

These products will require substantial marketing investment to effectively communicate these offerings to curious consumers

Sources: [Deloitte](#), [Statista](#)

Global Fixed Wireless Access Connections (in millions)



60%

of all service providers in the US now offer 5G FWA
– with the **strongest growth**

SUMMARY

Key Telco Trends We Expect to Influence Marketing & Media Strategies



5G Drives Demand For Future-Looking Tech

5G providers have the opportunity to partner with tech brands developing IoT devices and metaverse technologies and capitalize on those high-profile ties



B2B Opportunity with Private Networks

Private network providers will look towards internet-reliant enterprises as their primary target for growth



Pre-Paid Expands Its Base

Consumers are increasingly seeing the benefits of pre-paid service especially given inflation and recession fears



Broadband Gets a Shake-Up

Consumers are increasingly open to more innovative and affordable ways to access the internet

NBCU Telco Strategic Considerations

Key Considerations For Driving Growth
For Telco Brands



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Telco Strategic Considerations



01. Align Your Approach with Consumption

Capitalize on evolving consumption patterns and maximize reach with strategic audiences by activating across platforms

02. Grow Category Leadership Through Purpose and Cultural Connection

Capture attention and solidify leadership in the highly competitive telco category by aligning with passion point content, influential talent, and cultural moments & events

03. Communicate Use Cases with Education

Leverage high impact storytelling approaches to educate and authentically demonstrate your brand's newest products and services

04. Engage Multicultural and Upgraders for Growth

Utilize data to relevantly reach multicultural audiences, potential switchers and other key targets across platforms to reinforce brand messaging

05. Power Innovation in Web3

Build and contribute to web3 innovation ahead of the curve with trusted partners in this emerging space

01.

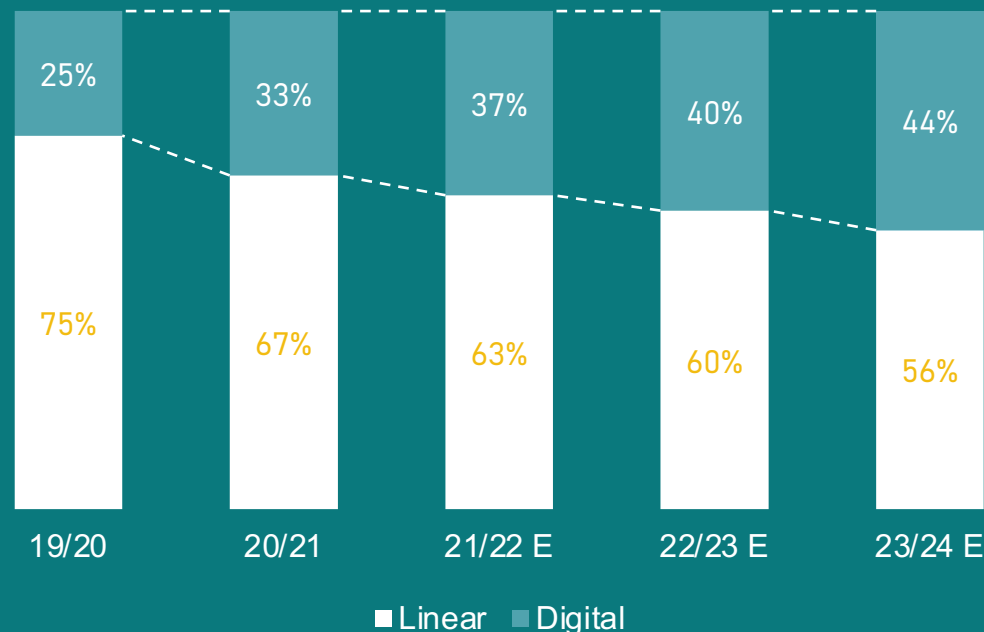
Align Your Approach with Consumption

Capitalize on evolving consumption patterns and maximize reach with strategic audiences by activating across platforms

The way content is being consumed continues to evolve.

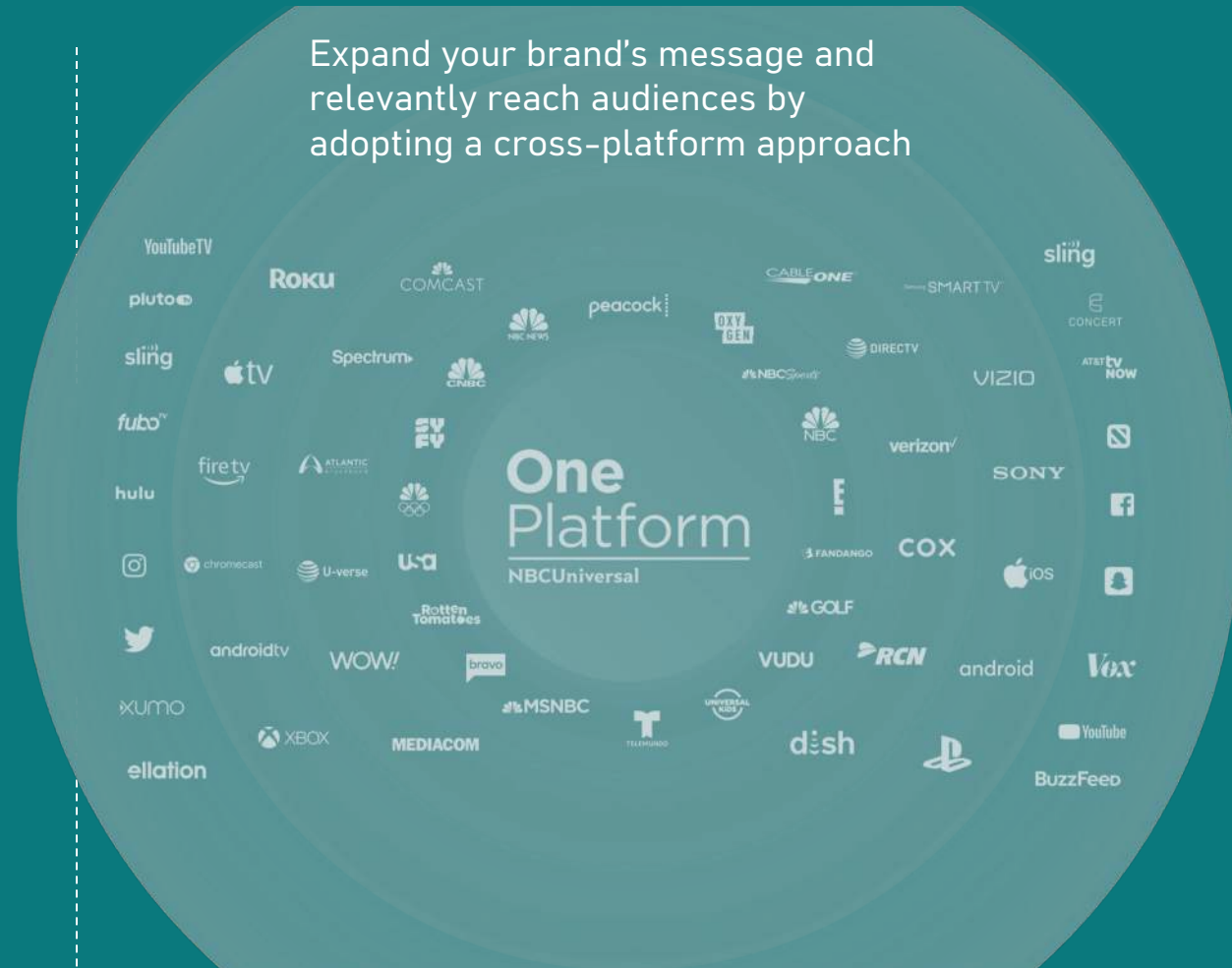
NBCU One Platform – Share Of Minutes

A18-49, reflects aggregate viewership across NBCU portfolio



Source: Share of minutes estimates based on NBCU internal trends & growth reporting

Expand your brand's message and relevantly reach audiences by adopting a cross-platform approach



02.

Grow Category Leadership Through Purpose & Cultural Connection

Align major brand announcements and promotion with mass reach content, influential talent, and cultural moments

Alignment with IP and Talent



Align your brand with NBCU's premium, brand-safe, passion point content via sponsorship and integration opportunities

Premier Live Events



Tap into the breakthrough moments and events that shape today's cultural conversation – cementing category leadership

Cultural Heritage Celebrations



Celebrate growing Multicultural audiences and drive impact by aligning with moments that matter year-round

Live Sports



Utilize the power, passion, and wide reach of live sports for branded integration to demonstrate connective capabilities

03. Communicate Use Cases with Education

Leverage high impact storytelling approaches to educate telco consumers on the use cases of newer services and the benefits that service/equipment upgrades can unlock

EDUCATE Audiences Through Branded Content

Communicate your brand's efforts in 5G expansion, enabling IoT devices and fixed wireless. Partner with NBCU to tell your story through branded content that resonates with your target audience



INTEGRATE With Programming to Demonstrate Use

Programming Examples

 Morning Shows

 Lifestyle Entertainment

 Multicultural Audiences

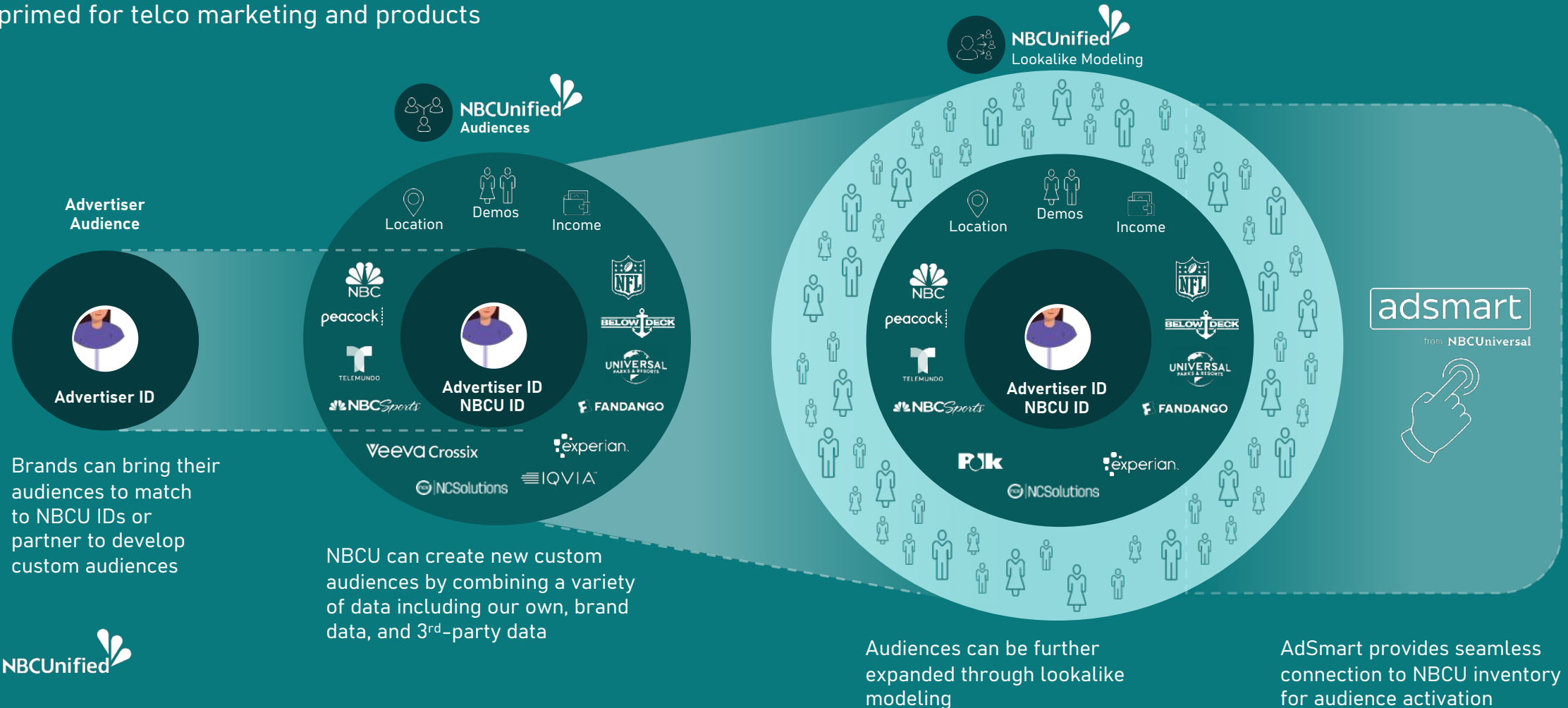
 Sports & Fitness

ENGAGE With Commercial Innovation and Solutions

- Seamlessly blend advertising and content to create **engaging and interactive viewing experiences**
- Examples include **PIP, Interactive Countdown Clock, Pause Ads, Engagement Ads, In-Scene Ads**
- **Apple News tap-to capabilities** can drive users to site, app download, deep link within app, email, chat, map, wallet, etc.

04. Engage Multicultural and Upgraders for Growth

Utilize audience data and targeting to drive growth with audiences primed for telco marketing and products



05. Power Innovation in Web3

Demonstrate your brand's innovative leadership in 5G technology by unlocking new immersive experiences for fans

Use NBCU's One Platform to promote web3 activations

- Take advantage of NBCU's mass reach to promote your brand's innovations in web3
- Drive desired engagement with tech-savvy consumers with NBCU's advanced targeting and data solutions



Bored Ape Yacht Club NFTs
The Tonight Show with Jimmy Fallon

Leverage NBCU IP for co-branded experiences

- Utilize NBCU IP to co-create meaningful and valuable activations for audiences to experience their fandoms in new mediums
- Co-create NFTs and web3 activations that support shared social impact initiatives



#StopAAPIHate NFT Launch
Saturday Night Live

Provide 5G solutions for NBCU web3 programming

- Launch unique and authentic storytelling by deploying your connectivity to power and support NBCU web3 experiences
- Build B2B and B2C trust by demonstrating the power of your network to connect fans to new opportunities



Shopping Bazaar in the Metaverse
Bravocon

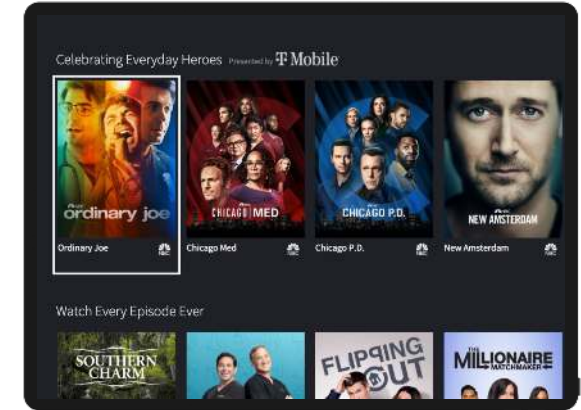
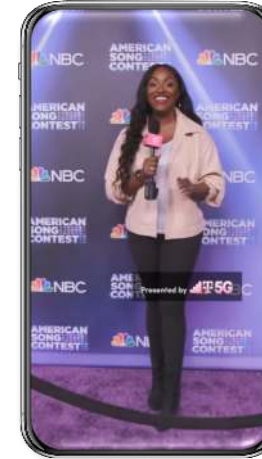
NBCU Relevant Materials

Example Telco Industry Partnerships



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Telco Partnership Examples



NBCU Telco Industry Content

TOGETHER SITE

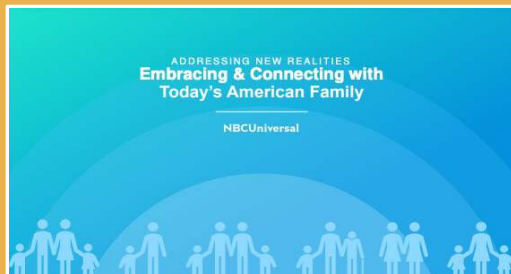
Category Content & Strategies



Fueling the Cultural Conversation: Premier Live Events



Using Context to Take Planning from Great to Amazing



Embracing & Connecting with Today's American Family



A Marketer's Guide to the Metaverse

Telco Case Studies



AdSmart + Telco Prepaid Wireless Provider



AdSmart + Telco Wireless Provider #1



AdSmart + Telco Wireless Provider #2

2022 Telco Industry Assessment

NBCUniversal

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